

**Exhibit A-38**

United States Bankruptcy Court/Southern District of New York Lehman Brothers Holdings Claims Processing Center c/o Epiq Bankruptcy Solutions, LLC FDR Station, P.O. Box 5076 New York, NY 10150-5076		PROOF OF CLAIM	
In Re: Lehman Brothers Holdings Inc., et al. Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)		
Name of Debtor Against Which Claim is Held Lehman Brothers Holdings Inc.	Case No. of Debtor 08-13555		
<b>NOTE:</b> This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side.)		<b>THIS SPACE IS FOR COURT USE ONLY</b>	
Name and address of Creditor: (and name and address where notices should be sent if different from Creditor) Stonehill Offshore Partners Limited c/o Stonehill Capital Management LLC 885 Third Avenue, 30th Floor New York, NY 10022 Attn: Paul D. Malek, Esq.  Telephone number: 212-739-7474 Email Address: pmalek@stonehillcap.com		<input checked="" type="checkbox"/> Check this box to indicate that this claim supersedes a previously filed claim.  <b>Court Claim Number:</b> 19908 (If known)  <b>Filed on:</b> 09/21/2009	
Name and address where payment should be sent (if different from above)  Telephone number: Email Address:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
<b>1. Amount of Claim as of Date Case Filed:</b> \$ 86,659,892.26 If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete Item 5. If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9), complete Item 6. <input type="checkbox"/> Check this box if all or part of your claim is based on a Derivative Contract.* <input type="checkbox"/> Check this box if all or part of your claim is based on a Guarantee.* <b>*IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO <a href="http://www.lehman-claims.com">http://www.lehman-claims.com</a> AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED.</b> <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on <a href="http://www.lehman-claims.com">http://www.lehman-claims.com</a> if claim is based on a Derivative Contract or Guarantee.		<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a).</b> If any portion of your claim falls in one of the following categories, check the box and state the amount.  Specify the priority of the claim:  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).  <b>Amount entitled to priority:</b>  \$ _____	
<b>2. Basis for Claim:</b> Prime brokerage agreement (see attachment) (See instruction #2 on reverse side.)			
<b>3. Last four digits of any number by which creditor identifies debtor:</b> _____ <b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a on reverse side.)			
<b>4. Secured Claim</b> (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ <b>Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____</b>			
<b>6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9):</b> \$ _____ (See instruction #6 on reverse side.)			
<b>7. Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim. <b>8. Documents:</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary. <b>DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.</b> If the documents are not available, please explain:		<b>FOR COURT USE ONLY</b>	
<b>Date:</b> 7/29/14	<b>Signature:</b> The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Paul Malek, General Counsel, Stonehill Capital Management LLC		
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.			

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.*

**Items to be completed in Proof of Claim form****Name of Debtor, and Case Number:**

YOU MUST INDICATE THE SPECIFIC DEBTOR AGAINST WHICH YOUR CLAIM IS ASSERTED, INCLUDING THE THE NAME OF THE DEBTOR AND THE RELATED CASE NUMBER (DEBTORS AND CASE NUMBERS LISTED BELOW), IN THE SPACE ALLOTTED AT THE TOP OF THE CLAIM FORM.

08-13555	Lehman Brothers Holdings Inc.	08-13905	CES Aviation LLC
08-13600	LB 745 LLC	08-13906	CES Aviation V LLC
08-13885	Lehman Brothers Commodity Services Inc.	08-13907	CES Aviation IX LLC
08-13888	Lehman Brothers Special Financing Inc.	08-13908	East Dover Limited
08-13893	Lehman Brothers OTC Derivatives Inc.	09-10108	Luxembourg Residential Properties Loan Finance S.a.r.l.
08-13899	Lehman Brothers Derivative Products Inc.	09-10137	BNC Mortgage LLC
08-13900	Lehman Commercial Paper Inc.	09-10558	Structured Asset Securities Corporation
08-13901	Lehman Brothers Commercial Corporation	09-10560	LB Rose Ranch LLC
08-13902	Lehman Brothers Financial Products Inc.	09-12516	LB 2080 Kalakaua Owners LLC
08-13904	Lehman Scottish Finance L.P.	08-13664	PAMI Statler Arms LLC

If your Claim is against multiple Debtors, complete a separate form for each Debtor.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4, 5 and 6. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**4. Secured Claim:**

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).**

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9)**

State the value of any goods received by the debtor within 20 days before the date of commencement in which the goods have been sold to the debtor in the ordinary course of the debtor's business.

**7. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**8. Documents:**

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

**Date and Signature:**

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

**DEFINITIONS****Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

**Claim**

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the Claims Agent at the following address:

**Lehman Brothers Holdings Claims Processing  
c/o Epiq Bankruptcy Solutions, LLC  
FDR Station, PO Box 5076  
New York, NY 10150- 5076**

**Secured Claim Under 11 U.S.C. §506(a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. §507(a)**

Priority claims are certain categories of unsecured Claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

**Derivative Contract**

A contract that is any of (i) a "swap agreement" as such term is defined in section 101(53B) of the Bankruptcy Code or (ii) a "forward contract" as such term is defined in section 101(25) of the Bankruptcy Code. A cash-market purchase or sale of a security or loan (i.e. any purchase or sale of a security or loan for settlement within the standard settlement cycle for the relevant market), exchange-traded future or option, securities loan transaction, repurchase agreement in respect of securities or loans, and any guarantee or reimbursement obligations which would otherwise be included in the definition of such terms in the Bankruptcy Code shall not be considered a Derivative Contract for the purposes of this definition nor shall any notes, bonds, or other securities issued by the Debtors or their affiliates (including, but not limited to, Lehman Brothers Holdings Inc., Lehman Brothers Treasury Co. B.V., Lehman Brothers Bankhaus AG, Lehman Brothers Holdings plc, Lehman Brothers Securities N.V., and Lehman Brothers (Luxembourg) Equity Finance S.A.).

**Guarantee**

A promise, representation or agreement to answer for the payment of some debt or the performance of some duty in case of the failure of another person or entity who is liable in the first instance.

**Lehman Programs Securities**

Lehman Programs Securities means those securities included on the Lehman Programs Securities list available on <http://www.lehman-docket.com> as of July 27, 2009.

**INFORMATION****Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim, or you may access the Claims Agent's system (<http://www.lehman-docket.com>) to view your filed proof of claim.

**Offers to Purchase a Claim**

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

ATTACHMENT TO PROOF OF CLAIM OF  
STONEHILL OFFSHORE PARTNERS LIMITED

Stonehill Offshore Partners Limited ("Claimant") hereby files this claim (the Proof of Claim Form together with this Attachment are referred to herein as the "Claim") in the chapter 11 case of Lehman Brothers Holdings Inc. (the "Debtor") and, in support of the Claim, represents as follows:

Background

1. Claimant is a private investment fund organized as an exempted company under the laws of the Cayman Islands. Stonehill Capital Management LLC ("SCM") is Claimant's investment adviser and an authorized signatory for Claimant.
2. Prior to the commencement of these chapter 11 cases, Claimant had various business relationships with and was party to a number of agreements with the Debtor and its affiliates. A description of certain of these business relationships and agreements and the claims of Claimant against the Debtor arising thereunder is set forth below.<sup>1</sup>

Prime Brokerage

3. Lehman Brothers Inc. ("LBI"), an affiliate of the Debtor currently in a liquidation proceeding (the "SIPA Proceeding") under the Securities Investment Protection Act of 1970, as amended ("SIPA"), was Claimant's sole prime broker until September 17, 2008, two days before commencement of the SIPA Proceeding. Claimant was party to a Customer Account Prime Brokerage Agreement (Account No.: 732-40125) (the "PB Agreement") between Claimant and LBI "as signatory for itself and as agent for the affiliates named

<sup>1</sup>

Stonehill Institutional Partners, L.P., an affiliate of Claimant, was also a party to a number of agreements with the Debtor and its affiliates and has filed separate proofs of claim in these cases. SCM was a signatory for Claimant for various agreements in its capacity as investment adviser and authorized signatory of Claimant.

herein." The PB Agreement (Paragraph 1) provides that the parties to the PB Agreement consist of Claimant and "Lehman Brothers Inc., Lehman Brothers International (Europe), Lehman Brothers Finance S.A., Lehman Brothers Special Financing Inc., Lehman Brothers Holdings Inc. ("LBHI") and any of their subsidiaries, parents, affiliates, divisions, officers, directors, agents and employees now existing or hereafter created." Such entities are defined as and referred to throughout the PB Agreement collectively and interchangeably as "Lehman Entities" and "Lehman Brothers" and are referred to interchangeably in this Claim as "Lehman Entities" or "Lehman Brothers" (which terms include the Debtor).

4. Although paragraph 21 of the PB agreement refers specifically to "LBI" in connection with prime brokerage services, LBI acted as agent for and signed on behalf of the other Lehman Entities in that capacity. Paragraph 4 of the PB Agreement states that the Claimant "and Lehman Brothers intend this agreement to be a master netting agreement," which is an additional indication that the parties intended all Lehman Entities to share in the benefits and burdens of the PB Agreement. In the LBI Trustee's Preliminary Investigation Report and Recommendations, dated August 25, 2010 (the "Trustee's Report"), the Trustee noted that prime brokerage customer account agreements "included all Lehman entities as parties for certain purposes such as subjecting property in the account to claims and liens." (Trustee's Report at p. 46). By becoming parties to the PB Agreement and availing themselves of the benefits of the PB Agreements, including by imposing claims and liens on customer property, the Debtors and other Lehman Entities also obligated themselves under such agreement on a joint and several basis with LBI.

5. Thus, the Debtor and its affiliated debtors and debtors-in-possession were parties to the PB Agreement. LBHI had the ability to influence and control LBI, its wholly-

owned subsidiary, as well as the other Lehman Entities including with respect to the Lehman Entities' obligations under the Prime Brokerage Agreement. Having reaped the benefits of the PB Agreement, LBHI, the Debtor and its affiliated debtors-in-possession must remain bound by their obligations and liabilities thereunder. As a party to the PB Agreement, the Debtor is fully liable for all amounts owed to Claimant in connection with the PB Agreement. A copy of the PB Agreement is attached to this Claim as Exhibit A.

6. As Claimant's sole prime broker and pursuant to the PB Agreement, LBI had custody of a substantial portion of Claimant's assets, including both cash and securities, and was "responsible for settling trades executed on [Claimant's] behalf by [Claimant's] executing broker(s)." (PB Agreement, Paragraph 21(b)). In addition, the PB Agreement authorized "Lehman Brothers to lend either to itself or to others any securities held by Lehman Brothers in any of [Claimant's] accounts" but provided that Claimant "will be entitled to receive all distributions, including, but not limited to, cash . . . made on or in respect of any loaned, pledged, repledged, hypothecated or rehypothecated securities." (PB Agreement Paragraph 19). As a regulated broker dealer and by virtue of course of conduct among the parties, industry practice and custom, and an implied duty of good faith and fair dealing, LBI (as well as the other Lehman Entities) also had obligations implied by law to Claimant not specifically enumerated in the PB Agreement. The failure of LBI to return Claimant's cash and securities therefore constituted a breach of the PB Agreement by the Debtor and the other Lehman Entities.

7. On January 26, 2009, Claimant filed a proof of claim in the SIPA Proceeding asserting various claims – categorized as “components” of the claim against LBI under SIPA (the “SIPA Claim”). A copy of the SIPA Claim is attached to this Claim as Exhibit B.

Between the commencement of the SIPA Proceeding and the date of this Amendment, virtually all of Claimant's securities and cash held at LBI have been returned to Claimant pursuant to a Notice of SIPA Trustee's Determination of Claim (SIPA Claim No. 900002114) dated March 23, 2010 (as corrected on June 4, 2010), Schedule A to the SIPA Trustee's Distribution Notice dated June 27, 2013 (as corrected on August 22, 2013), and a Declaration, Release and Assignment entered into by Claimant on September 5, 2013 (collectively, the "SIPA Claim Determination").

8. Pursuant to the SIPA Claim Determination, all of the components of the SIPA Claim have been resolved other than Component 8, which represents an aggregate of \$6,135,929.26 in losses as of September 19, 2008, on foreign currency hedges entered into under the PB Agreement,<sup>2</sup> and component 10, pursuant to which Claimant fully reserved the right to seek interest that may be payable or claimable on cash balanced, additional misdirected wires, and/or other amounts that may have been received by LBI or other Lehman Entities. Component 8 of Claimant's SIPA claim arising from foreign currency hedges has not yet been admitted as a general unsecured claim in LBI's SIPA proceeding although it may be so admitted in the future.

9. In addition, the Debtor and the Lehman Entities are obligated to Claimant for damages, interest, costs, attorneys' fees, including, but not limited to the amount representing the diminution in value of the securities held by LBI under the PB Agreement from the date in which LBI's SIPA Proceeding was commenced through the date that such securities were returned to Claimant. The PB Agreement obligated the Debtor and the Lehman Entities to provide services consistent with the SEC's guidelines on prime brokerage

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<sup>2</sup> Although Claimant believes that LBI may have been the only Lehman entity directly involved with the foreign currency hedges, such hedges were entered into under the PB Agreement and are therefore obligations of all of the "Lehman Entities", as noted above.

relationships (PB Agreement Paragraph 21(l)). It is an established element of the brokerage relationship that a broker-dealer must promptly return the securities upon request and, pursuant to the terms of the PB Agreement, the Debtor and all the Lehman Entities were made jointly and severally liable for any breach of the obligation to return securities.<sup>3</sup> Therefore, the Debtor and the Lehman Entities were responsible, separate and apart from LBI's obligations as a broker-dealer subject to SIPA regulation (and notwithstanding any limitation under SIPA with respect to such a diminution in value claim), for the prompt return of the securities to Claimant upon request when LBI commenced its SIPA Proceeding, and must repay Claimant for Claimant's losses due to the failure to return the securities or cause the securities to be returned.

10. A further basis for the diminution in value claim is that LBI and the Lehman Entities were required under state law to act in accordance with their respective obligations as a bailees of the securities, and therefore to return the securities to Claimant (PB Agreement Paragraph 3). Under New York law, which governs the PB Agreement, a bailee has a duty to return goods to a bailor and is liable for loss or damage to the goods. LBI was further obligated to hold the securities as financial assets under Article 8 of the Uniform Commercial Code (PB Agreement Paragraph 3), which entitles the owners of securities to have property that is held in a security account protected from the intermediary's other creditors.

11. The current amount owed for diminution in value of returned securities has been calculated by Claimant to be at least \$80,523,963. The calculation of this amount is

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<sup>3</sup> Such breach rose to the level of gross negligence and/or willful misconduct and therefore was not subject to the limitation on liability set forth in Paragraph 30 of the PB Agreement.



shown on the spreadsheet attached to this Claim as Exhibit C.<sup>4</sup> This amount, plus the amount owing on component 8 of the SIPA Claim, gives an aggregate Claim amount equal to approximately \$86,659,892.26.

12. In addition to the bases for asserting the Claim against the Debtors described above, the amounts owed under the PB Agreement discussed above are also recoverable by Claimant as a result of willful and material misrepresentations made by and/or on behalf of the Lehman Entities regarding their financial position and related matters, both publicly<sup>5</sup> and by a senior representative of the Lehman Entities directly to SCM, Claimant's investment adviser. Such misrepresentations induced Claimant (and likely induced similarly situated customers and counterparties of the Lehman Entities) to refrain from terminating Claimant's prime brokerage (and other counterparty) relationships with the Lehman Entities.

13. During a phone call held in early September 2008, shortly before the Lehman chapter 11 filing and the commencement of the SIPA Proceeding, Mr. John Wickham, believed to be head of Lehman Brothers Global Client Services and acting as a representative of the Lehman Entities, called John Motulsky of SCM in response to Mr. Motulsky's voicemail message to Alex Kirk, believed to then be a senior officer of LBHI, asking about the Lehman Entities' financial stability, specifically in connection with the Lehman Entities' prime brokerage and other commercial relationships with Claimant and its affiliates.

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<sup>4</sup> The diminution in value claim is based on the difference in value of securities held at LBI as of the close of business on September 12, 2008, the last business day before the commencement of these cases and the last date on which Claimant was able to obtain its securities from LBI, and the date such securities were returned. Claimant does not mark its portfolio on a daily basis and prices for the securities in Claimant's portfolio, other than those that trade on public markets, are not available on a daily basis. Therefore, other than with respect to publicly traded securities, Claimant used the value of the securities as of the last valuation date prior to September 12, 2008 and the date of return, as applicable.

<sup>5</sup> For example, on an earnings call on September 10, 2008, five days prior to LBHI's chapter 11 filing, Lehman Brothers' CFO at the time, Ian Lowitt, stated regarding Lehman Brothers' liquidity position that "our liquidity position... remains very strong."

14. In response to questions and concerns expressed by Mr. Motulsky regarding the Lehman Entities' financial strength and viability, Mr. Wickham sought to reassure Claimant (through SCM and Mr. Motulsky) regarding the Lehman Entities' financial condition and the stability of its prime brokerage operation. Mr. Motulsky recalls that Mr. Wickham stated that Lehman had adequate liquidity because unlike Bear Stearns it prudently financed its customers with matched funding and had sufficient liquidity from sources it believed to be reliable to meet all of its obligations for a year even if no new financing was available, that it had \$12 billion of surplus cash, and also cited the availability of secured financing from the federal reserve, none of which was used.

15. Mr. Motulsky also recalls that Mr. Wickham stated that Lehman's unrealized appreciation in various assets (one of which was Neuberger Berman, half of which Mr. Wickham stated might soon be sold at a profit to realize value and add to tangible equity) were more than sufficient to cover possible unrealized losses in its portfolio and provide incremental equity that would be required for a planned spinout of most of Lehman's commercial real estate portfolio, and conveyed a message that Lehman Brothers' prime brokerage operation would continue operating in the normal course, and that Claimant should be comfortable continuing its customer and counterparty relationship with Lehman Brothers.<sup>6</sup> A few days after this conversation the Debtor commenced this chapter 11 case and LBI commenced its SIPA Proceeding.

16. As a result of the material misrepresentations by Lehman Brothers and its representatives to the public, and by Mr. Wickham, who acted with apparent authority on behalf

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<sup>6</sup> Many of Mr. Wickham's comments appeared to be taken from talking points Mr. Wickham received from the Lehman Entities for communications with customers, rather than being "off the cuff" remarks of Mr. Wickham's personal views regarding Lehman's financial condition.

of LBHI and its affiliates, to SCM, Lehman Brothers and their representatives succeeded in persuading the Claimant to refrain from demanding the return of its assets held by LBI and other Lehman Entities and otherwise taking actions to promptly reduce its commercial exposure to Lehman Brothers prior to the effective curtailment of LBI's normal operations and the subsequent commencement of the SIPA Proceeding.

17. Thus, by virtue of the public misrepresentations of Lehman Brothers and private misrepresentations by Mr. Wickham, Lehman Brothers' agent, directly to SCM, which misrepresentations were intended for the benefit of the Lehman Entities to convince Lehman Brothers' customers and counterparties in general and SCM in particular of the financial stability and health of Lehman Brothers despite the fact that Lehman Brothers' officers knew or should have known that there were substantial risks that Lehman Brothers' liquidity and capital may not continue to support its operations, the Lehman Entities, including the Debtor, are fully liable for any and all direct, indirect, nominal or consequential damages incurred by Claimant in connection with the PB Agreement or otherwise arising in connection with Claimant's prime brokerage and counterparty relationship with Lehman Brothers, including the claim arising from diminution in value of securities that were not timely returned to Claimant.

18. Claimant is entitled to assert and is asserting against the Lehman Entities, including the Debtor, the full amount of claims arising under or relating to the PB Agreement, provided that Claimant may not recover more than 100% of the amount of such claims.

Reservation of Rights

19. No payments have been made to Claimant on account of the claims asserted herein.

20. Claimant reserves all of its rights to supplement or amend this Claim in any and all respects, including to liquidate amounts which are presently unliquidated or estimated.

21. In the event that the Debtor or any of the other debtors assert or Claimant shall determine that another debtor or other party is obligated or liable for any of the categories of claims and amounts set forth herein, this Claim shall be deemed to have been asserted against such other debtor or other party for such category and amount.

22. To the extent not set forth in this Claim, Claimant also makes claim for all direct, indirect, nominal or consequential damages, interest, costs, attorneys' fees, and other amounts owed or owing to it, to the extent recoverable under the applicable agreement and/or applicable law, whether or not liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, in law or equity, secured or unsecured, directly or indirectly related to the matters discussed in this Claim. Claims for amounts asserted herein which are or could be deemed to be postpetition interest under the Bankruptcy code are asserted to the extent allowed under the Bankruptcy Code and applicable non-bankruptcy law.

23. The filing of the Claim is not and shall not be deemed or construed as consent by Claimant to the jurisdiction of this Court or any other court with respect to proceedings, if any, commenced in any case against or otherwise involving Claimant.

24. Neither the substance nor the act of filing this claim, nor any later appearance, pleading, claim, or action in these cases, is intended or shall be deemed to be a waiver, release, or modification by Claimant of its (a) right to have final orders in non-core matters entered after de novo review by a District Judge; (b) right to trial by jury in any proceeding so triable in this case or any case, controversy or proceeding related to these cases; (c) rights under the applicable

safe harbor provisions of the Bankruptcy Code; (d) right to seek to have the District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal; or (e) other rights, remedies, claims, actions, defenses, setoffs or recoupments to which Claimant is or may be entitled, all of which are hereby expressly reserved.

**EXHIBIT A**

**Customer Account  
Agreement Prime  
Brokerage**

**LEHMAN BROTHERS INC.**

Lehman Brothers Inc.  
745 Seventh Avenue  
New York, NY 10019  
(212) 526-7000

Stonehill Offshore Partners LTD

Account No.: 732-40125

**Please Read Carefully, Sign and Return**

This agreement ("Agreement") sets forth the terms and conditions under which Lehman Brothers (as defined below) will open and maintain prime brokerage account(s) in your name and otherwise transact business with you as our customer. Throughout this Agreement references to "you" and "your" refer to you as our customer.

In consideration of Lehman Brothers opening a prime brokerage account for you, you agree to the following:

**1. PARTIES.** A prime brokerage account opened pursuant to this Agreement will be opened at Lehman Brothers Inc. ("LBI"). All transactions, agreements and contracts between you and Lehman Brothers have been entered into in consideration of each other. You hereby agree that the parties to this Agreement shall consist of you and Lehman Brothers Inc., Lehman Brothers International (Europe), Lehman Brothers Finance S.A., Lehman Brothers Special Financing Inc., Lehman Brothers Holdings Inc. and any of their subsidiaries, parents, affiliates, divisions, officers, directors, agents and employees now existing or hereafter created, including successors and assigns (each such entity or person being referred to hereinafter as Lehman Brothers or a "Lehman Brothers Entity," unless otherwise specified, and all such entities or persons being collectively referred to hereinafter as "Lehman Brothers"). Unless you advise Lehman Brothers in writing to the contrary, you represent that you are not an affiliate (as defined in Rule 144(a)(1) under the U.S. Securities Act of 1933 as may be amended, modified or supplemented) of the issuer of any security held in any account opened hereby. You represent and warrant to Lehman Brothers that you are either (i) not (A) an employee benefit plan (an "ERISA Plan") as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or (B) subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or (ii) (A) an ERISA Plan or subject to ERISA or Section 4975 of the Code and (B) whose Investment Manager or General Partner is (and you covenant and agree that any successor Investment Manager or General Partner appointed by you will be) a Qualified Professional Asset Manager ("QPAM") as defined by the relevant prohibited transaction class exemption(s) issued pursuant to ERISA and you will provide Lehman Brothers with a QPAM Representation Letter.

**2. APPLICABLE LAWS, RULES AND REGULATIONS; SEVERABILITY.** All transactions under this Agreement shall be subject to the applicable laws, rules and regulations of all U.S. and, if applicable, non-U.S. federal, state and self-regulatory authorities, including, but not limited to, the rules and regulations of the Board of Governors of the Federal Reserve System of the United States and the constitution, rules and customs of the exchange or market (and clearing house) where such transactions are executed or settled. In the event of any conflict between any such present or future laws, regulations and rules and the terms of this Agreement, the provision(s) of this Agreement so affected shall be deemed modified or superseded to conform to such laws, regulations and rules, but the remaining provisions of this Agreement shall remain in full force and effect.

**3. SECURITY INTEREST AND LIEN; REGISTRATION OF SECURITIES.** As security for the payment and performance of all of your obligations and liabilities from time to time outstanding to any Lehman Brothers Entity, whether under this Agreement or otherwise, each Lehman Brothers Entity shall have a continuing lien and first priority security interest in all your Assets, defined as (i) all property in which you now have, or hereafter acquire an interest which is now or hereafter held by or through any Lehman Brothers Entity, including, but not limited to, any and all securities, accounts, instruments, documents, contract rights, contracts (including, but not limited to, open transactions, securities purchase or sale contracts, agreements to lend cash or securities, commodity contracts, futures contracts, forward contracts, repurchase agreements, swap agreements, contracts for differences or any other agreement, without regard to the form of such agreement which may include oral

agreements or agreements confirmed or signed by only one party to the agreement and agreements entered into or signed by a Lehman Brothers Entity on your behalf) (hereinafter "Contracts"), commercial paper and other securities, monies, deposit accounts and general intangibles (including all security entitlements in respect thereof, all income and profits thereon, all dividends, interest and other payments and distributions with respect thereto and all proceeds from any of the foregoing), and (ii) any and all rights, claims or causes of action you may now or hereafter have against any Lehman Brothers Entity. The continuing lien and first priority security interest shall apply to all such Assets, which from time to time may be deposited or credited to any account you may have with a Lehman Brothers Entity, be held or carried by a Lehman Brothers Entity for you, be due from a Lehman Brothers Entity to you, or be delivered to or in a Lehman Brothers Entity's possession or control for any purpose, including safekeeping. Such continuing lien and first priority security interest shall apply irrespective of whether or not Lehman Brothers has made advances in connection with such Assets, the number of accounts you have with Lehman Brothers or which particular Lehman Brothers Entity holds such Assets. You hereby acknowledge and agree that all such Assets held by or through any Lehman Brothers Entity are held as collateral by such Lehman Brothers Entity as agent and bailee for itself and all other Lehman Brothers Entities and, as such, each Lehman Brothers Entity shall comply with any orders or instructions originated by any other Lehman Brothers Entity with respect to or in connection with such collateral without your further consent. You and Lehman Brothers agree that all such Assets held in or credited to any account will be treated as financial assets under Article 8 of the Uniform Commercial Code as in effect in the State of New York (the "UCC") and that any account maintained by you with any Lehman Brothers Entity shall be a securities account under Article 8 of the UCC. In the event of a breach or default by you, a Lehman Brothers Entity shall have, in addition to the rights and remedies provided in this Agreement, all rights and remedies available to a secured creditor under the UCC and any other applicable law. You represent that all of the above-described Assets shall at all times be free and clear of all liens, claims and encumbrances of any nature other than the security interest created hereby. Assets consisting of securities shall be delivered in good deliverable form (or Lehman Brothers shall have the unrestricted power to place such securities in good deliverable form) in accordance with the requirements of the primary market for these securities. In addition, in order to satisfy any of your outstanding liabilities or obligations to any Lehman Brothers Entity, each Lehman Brothers Entity may, to the fullest extent permitted by law, at any time in its discretion and without prior notice to you, use, apply or transfer any and all securities or other property or Assets (including, without limitation, fully-paid securities and cash). You hereby agree that, except as otherwise specifically agreed in writing, each Lehman Brothers Entity may register and hold the securities and other property or Assets in your accounts in its name or the name of its designee. You shall execute such documents and take such other action as such Lehman Brothers Entity shall reasonably request in order to perfect its rights with respect to any of the Assets. In addition, you appoint Lehman Brothers as your attorney-in-fact to act on your behalf to sign, seal, execute and deliver all documents and do all such acts as may be required to realize upon any of Lehman Brothers' rights in the Assets.

**4. BREACH, BANKRUPTCY OR DEFAULT.** If you shall:

(i) breach, repudiate or default under this Agreement or any Contract with any Lehman Brothers Entity, whether heretofore or hereafter entered into;

(ii) make or repeat any misrepresentations in connection with this Agreement or any Contract with any Lehman Brothers Entity;

(iii) state that you will not perform any obligation to any Lehman Brothers Entity;

(iv) apply for, consent to or be the subject of an application or petition for the appointment of or the taking of possession by a receiver, custodian, trustee, liquidator or similar persons of yourself or of all of or a substantial part of your property;

(v) admit in writing your inability, or become generally unable, to pay your debts as such debts become due or give Lehman Brothers other grounds for insecurity, as determined by Lehman Brothers in its sole and absolute discretion (including, without limitation, death; mental incompetence; dissolution; the appointment of a receiver by or against you, any guarantor, co-signer or other party liable on or providing security for your obligations to any Lehman Brothers Entity or the attachment against your or such other party's account(s) with any Lehman Brothers Entity; or any indication of your refusal or inability to satisfy promptly any Margin Call (as defined below) or other obligation);





collection, attorneys' fees, court costs and other expenses) in connection with (i) enforcing its rights hereunder, (ii) any investigation, litigation or proceeding involving your account or any property therein (including, without limitation, claims to such property by third parties), (iii) your use of or access to any Lehman Brothers or third-party system or (iv) Lehman Brothers' acting in reliance upon instructions, including, but not limited to, instructions transmitted via electronic means, including facsimile or electronic mail, from you or your authorized agents (including investment managers or advisers). In each case and whether or not demand has been made therefor, you hereby authorize Lehman Brothers to charge your account(s) for any and all such costs, liabilities and damages, including, without limitation, those incurred in connection with the liquidation of any of your Assets.

**9. IMPARTIAL LOTTERY ALLOCATION.** You agree that, in the event Lehman Brothers holds on your behalf securities in its name, in the name of its designee or in bearer form which are called in part, you will participate in the impartial lottery allocation system for such called securities in accordance with the rules of The New York Stock Exchange, Inc. or any other appropriate self-regulatory organization. When any such call is favorable, no allocation will be made to any account in which, to the knowledge of Lehman Brothers, any officer, director or employee of Lehman Brothers has any financial interest until all other customers have been satisfied on an impartial lottery basis.

**10. SECURITIES EVENTS.** Lehman Brothers shall inform you if Lehman Brothers becomes aware of the occurrence or prospective occurrence of any of the following with respect to any securities in your account(s): conversions, subdivision or consolidation; redemption; a takeover offer; calls, including calls on partly-paid securities and published calls; a capitalization issue; rights issue; distribution of income in the form of securities; or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities. Subject to Section 19 herein, if Lehman Brothers receives notice from you that you wish to act on any of the events referenced in this section and such notice is received by Lehman Brothers within a reasonable time for Lehman Brothers to act on such event, Lehman Brothers will act in accordance with your wishes. You represent that you review all prospectuses and offering statements that you may receive and understand the risks inherent with your securities transactions, including any risks associated with the above-described securities events.

**11. VOTING RIGHTS.** If any right to vote arises with respect to securities in your account, you may inform Lehman Brothers that you wish to exercise such right as you specify. Subject to Section 19 hereof, if Lehman Brothers receives this notice within a reasonable time to act, it will act in accordance with your wishes. If Lehman Brothers does not receive such timely notice from you, it will use its discretion to decide whether and how to vote such securities.

**12. WAIVER, ASSIGNMENT AND NOTICES.** Neither Lehman Brothers' failure to insist at any time upon strict compliance with this Agreement or with any of the terms hereof nor any continued course of such conduct on its part shall constitute or be considered a waiver by Lehman Brothers of any of its rights or privileges hereunder. Any purported assignment of your rights and/or obligations hereunder without obtaining the prior written consent of an authorized representative of Lehman Brothers shall be null and void. Each Lehman Brothers Entity reserves the right to assign any of its rights or obligations hereunder or under any Contract to any other Lehman Brothers Entity without prior notice to you. Notices and other communications to you (including, without limitation, Margin Calls) that are sent by electronic means, including facsimile or electronic mail, sent by express delivery service or mailed, in each case to the address or number provided by you, shall, until the respective Lehman Brothers Entity has received notice in writing of a different address or number, be deemed to have been personally delivered to you. Margin Calls may also be communicated orally, without subsequent written confirmation.

**13. FREE CREDIT BALANCES.** You hereby authorize Lehman Brothers to use any free credit balance awaiting investment or reinvestment in your account(s) in accordance with all applicable rules and regulations and to pay interest thereon at such rate or rates and under such conditions as are established from time to time by Lehman Brothers for such account(s) and for the amounts of cash so used.

**14. RESTRICTIONS ON ACCOUNT.** You understand that Lehman Brothers, in its sole and absolute discretion, may restrict or prohibit trading of securities or other property in your account(s) and may terminate your account(s), and you shall nevertheless remain liable for all of your obligations to the Lehman Brothers Entities under this Agreement or any Contract. In the event that Lehman Brothers, in its sole and absolute discretion, determines to

impose such restrictions on your account(s) due to credit, margin, legal, regulatory, money laundering or other concerns, Lehman Brothers shall be under no obligation to provide you with prior notice of such restriction.

**15. CREDIT INFORMATION AND INVESTIGATION.** You authorize Lehman Brothers, in its discretion, at any time and from time to time, to make or obtain reports concerning your credit standing and business conduct (including, but not limited to, obtaining audited account statements, if such are available). You may make a written request for a description of the nature and scope of the reports made or obtained by Lehman Brothers and the same will be provided to you within a reasonable period of time.

**16. SHORT AND LONG SALES.** In placing any sell order for a short account, you will designate the order as such and hereby authorize Lehman Brothers to mark the order as being "short". You are required to and will comply with all applicable rules and regulations relating to short sale transactions. In placing any sell order for a long account, you will designate the order as such and hereby authorize Lehman Brothers to mark the order as being "long". The designation of a sell order as being for a long account shall constitute a representation by you that you own the security with respect to which the order has been placed, that such security is not restricted under Rules 144 and/or 145 under the U.S. Securities Act of 1933 (as may be amended, modified or supplemented) or any other applicable law, rule or regulation and, as such, may be sold without restriction in the open market and that, if Lehman Brothers does not have the security in its possession at the time you place the order, you shall deliver the security by settlement date in good deliverable form or pay to Lehman Brothers any losses and expenses it may incur or sustain as a result of your failure to make delivery on a timely basis.

**17. MARGIN ACCOUNTS.** All Loans made hereunder are demand loans. You hereby agree to deposit and maintain such cash or collateral as margin in your margin accounts, if any, as Lehman Brothers may in its sole discretion require, and you agree to pay forthwith on demand any amount owing with respect to any of your margin accounts to satisfy Lehman Brothers' demand for such payment (a "Margin Call"). In addition, you further agree to deposit promptly and maintain such other collateral with Lehman Brothers as is required by any Contract you may have with any Lehman Brothers Entity. Upon your failure to make any such payment or deposit, or if at any time Lehman Brothers, in its sole discretion, deems it necessary for its protection, whether with or without prior demand, call or notice, Lehman Brothers shall be entitled to exercise all rights and remedies provided herein. No demands, calls, tenders or notices that Lehman Brothers may have made or given in the past in any one or more instances shall invalidate your waiver of the requirement to make or give the same in the future.

**18. SECURITIES CONTRACTS.** You acknowledge and agree that any positions in your account(s) shall be deemed "securities contracts" within the meaning of Sections 555 and 741(7) (as may be amended, modified or supplemented) of the U.S. Bankruptcy Code.

**19. CONSENT TO LOAN OR PLEDGE OF SECURITIES IN MARGIN ACCOUNTS.**

(a) Except as noted in subparagraph (b) below, within the limits of applicable law and regulations, you hereby authorize Lehman Brothers to lend either to itself or to others any securities held by Lehman Brothers in any of your accounts, to convey therewith all attendant rights of ownership (including voting rights and the right to transfer the securities to others), and to use all such property as collateral for its general loans. Any such property, together with all attendant rights of ownership, may be pledged, repledged, hypothecated or rehypothecated either separately or in common with other property for any amounts due to Lehman Brothers thereon or for a greater sum, and Lehman Brothers shall have no obligation to retain a like amount of similar property in its possession and control. You hereby acknowledge that, as a result of such activities, Lehman Brothers may receive and retain certain benefits to which you will not be entitled. In certain circumstances, such loans, pledges, repledges, hypothecations or rehypothecations may limit, in whole or in part, your ability to exercise voting and other attendant rights of ownership with respect to the loaned or pledged securities. You agree to waive the right to vote, or to provide any consent or to take any similar action with respect to these securities in the event that the record date or deadline for such vote, consent or other action falls during the period of any such loan, pledge, repledge, hypothecation or rehypothecation.

(b) Unless otherwise agreed by Lehman Brothers and you, you will be entitled to receive all distributions, including, but not limited to, cash, stock dividends and interest payments, made on or in respect of any loaned, pledged, repledged, hypothecated or rehypothecated securities which are not otherwise received by you, to the full





(l) The prime brokerage services hereunder shall be provided in a manner consistent with the SEC Letter.

**22. LEGALLY BINDING.** You hereby agree that this Agreement and all of the terms hereof shall be binding upon you and your estate, heirs, executors, administrators, personal representatives, successors and assigns. You further agree that all purchases and sales shall be for your account(s) in accordance with your oral or written instructions. You hereby waive any and all defenses that any oral instruction was not in writing as may be required by any applicable law, rule or regulation. With respect to any of your accounts maintained in connection with this Agreement, you hereby authorize Lehman Brothers to act and rely on any instructions (including, without limitation, instructions to transfer cash or securities, purchase or sell securities, enter into derivative or other transactions or borrow money or securities) received by Lehman Brothers from any of the persons listed on Exhibit A, as such list may be amended by you from time to time. In addition, you hereby authorize Lehman Brothers to act and rely on any instructions received by Lehman Brothers from any of your employees or agents (including any investment manager or adviser) that Lehman Brothers reasonably believes is authorized to so act on your behalf.

**23. AMENDMENT.** You agree that Lehman Brothers may modify the terms of this Agreement at any time upon prior written notice to you. By continuing to accept services from Lehman Brothers thereafter, you will have indicated your acceptance of any such modification. If you do not accept such modification, you must notify Lehman Brothers in writing; your account may then be terminated by Lehman Brothers, after which you will remain liable to Lehman Brothers for all outstanding liabilities and obligations. Otherwise, this Agreement may not be modified absent a written instrument signed by an authorized representative of Lehman Brothers.

**24. GOVERNING LAW.** THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED, AND THE CONTRACTUAL AND ALL OTHER RIGHTS AND LIABILITIES OF THE PARTIES DETERMINED, IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PRINCIPLES THEREOF.

**25. JURISDICTION; WAIVER OF JURY TRIAL.** The parties shall attempt in good faith to promptly resolve any dispute arising out of, relating to or in connection with this Agreement or any transactions hereunder by negotiations by executives of the parties who have the authority to settle the controversy. With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably submits to the exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION IS HEREBY WAIVED BY ALL THE PARTIES TO THIS AGREEMENT.

**26. WAIVER OF IMMUNITIES.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets, all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) arbitration, (iv) relief by way of arbitration award, injunction, order for specific performance or recovery of property, (v) attachment of its assets (whether before or after judgment) and (vi) execution or enforcement of any judgment or arbitration award and irrevocably agrees, to the fullest extent permitted by applicable law, that it will not claim any such immunity.

**27. TRANSFERS.** Lehman Brothers shall have the right to transfer Assets between any account in order to satisfy any of your obligations to Lehman Brothers. When giving instructions to transfer Assets from your accounts to any bank or other entity, you agree that all such requests will have been approved by an authorized signatory and you agree to provide Lehman Brothers with an accurate account number designating the account to receive such Assets. You agree to indemnify and hold Lehman Brothers harmless from and against all liabilities arising from the provision of an inaccurate account number or any other liabilities arising as a result of the transfer at your request.

**28. PROVISION OF DATA.** With respect to any market data or other information that Lehman Brothers or any third party service provider provide to you, (i) Lehman Brothers and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect; (ii) Lehman Brothers and any such provider are not responsible or liable for any actions that you take or do not take based on such data or information;

**30. LIMITATION OF LIABILITY.** Lehman Brothers shall not be liable in connection with the execution, clearing, handling, purchasing or selling of securities, commodities or other property, or other action, except for gross negligence or willful misconduct on Lehman Brothers' part. You understand that certain securities may be held outside the United States by unaffiliated, foreign agent banks and depositories. Lehman Brothers will not be liable to you for any loss, liability or expense incurred by you in connection with these arrangements except to the extent that any such loss, liability or expense results from Lehman Brothers' gross negligence or willful misconduct. In no event will Lehman Brothers be liable for any special, indirect, incidental or consequential damages arising out of this Agreement.

**32. TELEPHONE CONVERSATIONS.** For the protection of both you and Lehman Brothers, and as a tool to correct misunderstandings, you hereby authorize Lehman Brothers, at Lehman Brothers' discretion and without prior notice to you, to monitor and/or record any or all telephone conversations or electronic communications between you and Lehman Brothers or any of Lehman Brothers' employees or agents. You acknowledge that Lehman Brothers may determine not to make or keep any of such recordings and that such determination shall not in any way affect any party's rights.

**34. CAPACITY TO CONTRACT; ANTI-MONEY LAUNDERING; AFFILIATIONS.** You represent that you have the capacity and authority to enter into this Agreement. You represent to the best of your knowledge that you do not maintain or transact business for or with nor will you introduce individuals or entities to Lehman Brothers that the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") has listed as "Specially Designated Nationals and Blocked Persons" nor with any client in an embargoed country as determined by OFAC. Furthermore, you represent that you have conducted thorough due diligence with respect to all of your clients, and you do not know or have any reason to suspect that the monies used to fund the account have been or will be derived from or related to any illegal activities, including but not limited to, money laundering activities. You agree to







PLEASE COMPLETE THIS INFORMATION AND SIGN THE APPROPRIATE SPACE BELOW:

THIS AGREEMENT IS DATED AS OF \_\_\_\_\_, 2007

Stonchill Offshore Partners LTD

*Name of Customer*

c/o Citco Fund Services LTD  
P.O. Box 31106 SMB/ T Woodlaver  
Corp. Center West Bay Road

BWI

*Address*

*Country*

Grand Cayman

*City, State*

*Zip Code + 4*

BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THAT:

YOU HAVE RECEIVED A COPY OF THIS AGREEMENT AND AGREE TO ITS TERMS AND CONDITIONS.

CUSTOMER  
NAME:

Stonehill Offshore Partners LTD

*Individual or Printed Name of Company*

SIGNATURE:

  
*Signature of Authorized Person*

PRINT NAME:

John Motulsky, General Partner

*Printed Name and Title of Signatory or Name of General  
Partner if Signer is a Partnership*

BY:

*Authorized Signatory and Title of General Partner if Above  
Signer is a Partnership Otherwise Blank*

ACCEPTED AND AGREED TO:



Lehman Brothers Inc., as signatory for itself and as agent for the affiliates  
named herein

9-10-07

**EXHIBIT B**



900 002 114

**CUSTOMER CLAIM FORM  
LEHMAN BROTHERS INC.**

Stonehill Offshore Part Ltd.  
Account# 732-40125  
885 Third Avenue  
30th Floor  
885 3rd Ave., Fl. 30  
New York, NY 10022-4834

Daytime Phone: (212) 739 7474  
Email: c.wilson@stonehillcap.com  
Contact Person: Chris Wilson  
Taxpayer I.D. Number  
(Social Security No.): not applicable

**PLEASE NOTE**

- A SEPARATE CLAIM FORM SHOULD BE FILED FOR EACH ACCOUNT.
- TO BE ELIGIBLE FOR THE MAXIMUM PROTECTION AFFORDED UNDER THE SECURITIES INVESTOR PROTECTION ACT ("SIPA"), ALL CUSTOMER CLAIMS SHOULD BE RECEIVED BY THE TRUSTEE ON OR BEFORE JANUARY 30, 2009; THE TRUSTEE WILL DETERMINE WHETHER CLAIMS MEET THE STATUTORY REQUIREMENTS FOR "CUSTOMER" CLAIMS UNDER SIPA; INCLUSION OF A CLAIM OR CLAIM TYPE ON THIS CLAIM FORM IS NOT DETERMINATIVE OF CUSTOMER STATUS UNDER SIPA.
- THE DEADLINE FOR FILING ALL CLAIMS IS JUNE 1, 2009. NO CLAIM WILL BE ALLOWED IF IT IS RECEIVED AFTER THAT DATE.
- ALL CLAIMS ARE DATED AS OF THE DATE RECEIVED BY THE TRUSTEE.
- YOU MAY FILE YOUR CLAIM ELECTRONICALLY ONLINE AT WWW.LEHMANTRUSTEE.COM OR SEND YOUR COMPLETED AND SIGNED CLAIM FORM TO THE TRUSTEE VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED.
- IF YOUR ACCOUNT HAS BEEN TRANSFERRED TO ANOTHER BROKERAGE FIRM, BUT YOU BELIEVE YOU HAVE A CLAIM FOR PROPERTY OWED TO YOU BY LEHMAN BROTHERS INC., YOU MUST FILE A CLAIM TO PROTECT YOUR RIGHTS.
- LEHMAN BROTHERS INC. IS THE ONLY LEHMAN ENTITY THAT IS A DEBTOR IN THIS SIPA LIQUIDATION PROCEEDING. THIS CUSTOMER CLAIM FORM APPLIES ONLY TO LEHMAN BROTHERS INC. AND DOES NOT APPLY TO ANY OTHER LEHMAN ENTITY, INCLUDING ANY ENTITY IN A PROCEEDING UNDER CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE.

This claim form must be completed electronically online at www.lehmantrustee.com or mailed promptly, together with supporting documentation, to the following:

If by first class mail:

Lehman Brothers Inc. Claims Processing  
c/o Epiq Bankruptcy Solutions, LLC  
P.O. Box 6389  
Portland, OR 97228-6389

If by overnight mail:

Lehman Brothers Inc. Claims Processing  
c/o Epiq Bankruptcy Solutions, LLC  
10300 SW Allen Blvd  
Beaverton, OR 97005

**1. CLAIM FOR MONEY BALANCES OR CASH AS OF SEPTEMBER 19, 2008:**

- a. LBI owes me a credit or cash in the amount of: \$ See attached
- b. I owe LBI a debit or cash in the amount of: \$ \_\_\_\_\_
- c. If you wish to repay the debit balance listed in point b. above please insert the amount you wish to repay and attach a check payable to "James W. Giddens, Trustee for the SIPA Liquidation of Lehman Brothers Inc." If you wish to make a payment, **it must be enclosed** with this claim form.
- \$ \_\_\_\_\_

**2. CLAIM FOR SECURITIES AS OF SEPTEMBER 19, 2008:**

Please Do Not Claim Any Securities You Have In Your Possession

- |   | <u>YES</u>      | <u>NO</u> |
|---|-----------------|-----------|
|   | (Circle Y or N) |           |
| a. LBI owes me securities:  | <u>Y</u>        | N         |
| b. I owe LBI securities:  | Y               | N         |
| c. If yes to either, please list below (or in additional pages as necessary): |                 |           |

Trade Date of Transaction (mm/dd/yyyy)	Name of Security	CUSIP	Number of Shares or Face Amount of Bonds	
			LBI Owes Me (Long)	I Owe LBI (Short)
	<u>See attached</u>			

If additional space is needed, attach additional pages providing the information in the exact format above.

### 3. COMMODITY FUTURES CLAIMS

YES NO

(Circle Y or N)

Do you have a claim based on a commodity futures account?

Y

N

If the answer to the above question is "yes," please state the amount, and explain the basis for your claim below, attaching additional pages and supporting documents as necessary:

Amount of Claim: \_\_\_\_\_

Basis for Claim: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### WHEN COMPLETING SECTIONS 1 THROUGH 3 PLEASE KEEP IN MIND:

- If you cannot compute the amount of your claim, you may file an estimated claim. In that case, please indicate that your claim is an estimated claim.
- Proper documentation can speed the review, allowance, and satisfaction of your claim.
- Please enclose: copies of your last LBI account statement; purchase or sale confirmation slips; copies of checks that relate to the securities or cash you claim; and any other documentation or correspondence you believe will be of assistance in processing your claim.
- Please explain any differences between the securities or cash claimed and the cash balance and securities positions on your last account statement.
- If, at any time, you complained in writing about the handling of your account to any person or entity or regulatory authority, and the complaint relates to the cash and/or securities that you are now seeking, please be sure to provide with your claim copies of the complaint and all related correspondence, as well as copies of any replies that you received.

#### PLEASE CIRCLE THE APPROPRIATE ANSWER FOR ITEMS 4 THROUGH 11.

**NOTE: IF "Y" IS CIRCLED FOR ANY ITEM, PROVIDE A DETAILED EXPLANATION ON A SIGNED ATTACHMENT. IF SUFFICIENT DETAILS ARE NOT PROVIDED, THIS CLAIM FORM WILL BE RETURNED FOR YOUR COMPLETION.**

YES NO

(Circle Y or N)

4. Does your claim in any way relate to an entity other than Lehman Brothers Inc. (for example, Lehman Brothers Holdings Inc., or another Lehman subsidiary)?

Y

N

5. Has there been any change in your account since September 19, 2008?

Y

N

6. Are you or were you a party to a repurchase or reverse repurchase agreement, director, officer, partner, shareholder, lender to, or capital contributor of LBI? Y N
7. Are you related to, or do you have any business venture with, any of the persons specified in "6" above, or any employee or other person associated in any way with LBI? If so, give name(s). Y N
8. Are or were you a person who, directly or indirectly and through agreement or otherwise, exercised or had the power to exercise a controlling influence over the management or policies of LBI? Y N
9. Is this claim being filed on behalf of a customer of a broker or dealer or bank? If so, provide documentation with respect to each customer on whose behalf you are claiming. Y N
10. Have you ever given any discretionary authority to any person to execute securities transactions with or through LBI on your behalf? Give names, addresses and phone numbers. Y N
11. Have you or any member of your family ever filed a claim under the Securities Investor Protection Act of 1970? If so, give name of that broker. Y N

Please list the full name, address, phone number, and email address of anyone assisting you in the preparation of this claim form:

Full name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email address: \_\_\_\_\_

If more than one person is assisting you, attach additional pages providing the information in the exact format above.

**IT IS A VIOLATION OF FEDERAL LAW TO FILE A FRAUDULENT CLAIM. CONVICTION CAN RESULT IN A FINE OF UP TO \$50,000 OR IMPRISONMENT OF UP TO FIVE YEARS OR BOTH.**

**THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.**

Date January 26, 2009 Signature Christopher White  
Date \_\_\_\_\_ Signature Managing member  
Stonehill Capital Management, LLC  
its advisor

(If ownership of the account is shared, all must sign above. Give each owner's name, address, phone number, and extent of ownership on a signed separate sheet. If other than a personal account, e.g., corporate, trustee, custodian, etc., also state your capacity and authority. Please supply the trust agreement or other proof of authority.)

UNITED STATES BANKRUPTCY COURT Southern District of New York

PROOF OF CLAIM

Name of Debtor:  
 Lehman Brothers, Inc.

Case Number:  
 08-01420 (JMP) SIPA

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):

☐ Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent: 1000523153 LBI 12/1/2008 417060  
 Stonehill Offshore Part Lt  
 885 Third Avenue, 30th Floor  
 885 3rd Ave., Fl. 30  
 New York, NY 10022-4834

Court Claim Number: \_\_\_\_\_  
 (If known)

Telephone number: (212) 739-7474

Filed on: \_\_\_\_\_

Name and address where payment should be sent (if different from above):

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Telephone number:

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ see attached

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Customer Property  
 (See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: \_\_\_\_\_

3a. Debtor may have scheduled account as: \_\_\_\_\_  
 (See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other  
 Describe:

Value of Property: \$ \_\_\_\_\_ Annual Interest Rate: %

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ \_\_\_\_\_ Basis for perfection: \_\_\_\_\_

Amount of Secured Claim: \$ \_\_\_\_\_ Amount Unsecured: \$ \_\_\_\_\_

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to \$10,950\*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

☐ Up to \$2,425\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

☐ Other - Specify applicable paragraph of 11 U.S.C. §507 (a)( ).

Amount entitled to priority:

\$ \_\_\_\_\_

\*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

Date:  
 JAN 26 2009

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Christopher Wilson, Managing Member, Stonehill Capital Management LLC  
 its Advisor

FOR COURT USE ONLY

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The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form

**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**4. Secured Claim:**

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien

documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).**

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

**Date and Signature:**

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

**DEFINITIONS**

**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

**Claim**

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

**Secured Claim Under 11 U.S.C. §506(a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. §507(a)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

**INFORMATION**

**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system ([www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)) for a small fee to view your filed proof of claim.

**Offers to Purchase a Claim**

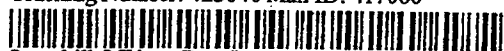
Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.



If you would like to file your claim online please go to [www.lehmantrustee.com](http://www.lehmantrustee.com) and select the link for the online claim form. You will need the tracking number and mail id listed below to complete your claim online.

P0000L 0000™ -P02016 323746.S811 1613 A

Tracking Number: 423040 Mail ID: 417060



Stonehill Offshore Part Lt  
885 Third Avenue, 30th Floor  
885 3rd Ave., Fl. 30  
New York, NY 10022-4834

**Stonehill Capital Management LLC**  
**885 Third Avenue, 30<sup>th</sup> Floor**  
**New York, NY 10022**  
**(212) 739-7474**

**Contacts:** Chris Wilson, Managing Member, [cwilson@stonehillcap.com](mailto:cwilson@stonehillcap.com)  
Steve Nelson, Chief Financial Officer, [snelson@stonehillcap.com](mailto:snelson@stonehillcap.com)  
Ann Kalter, Accounting Manager, [akalter@stonehillcap.com](mailto:akalter@stonehillcap.com)

**Date:** January 26, 2009

**RE: STONEHILL OFFSHORE PARTNERS LIMITED**  
**Primary LBI account number: 732-40125**

**Customer Claims in Lehman Brothers Inc. (LBI)**

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Stonehill Offshore Partners Limited (SO) was one of the largest prime brokerage clients of LBI and LBI was SO's sole prime broker. The professionals representing the LBI estate have invested long hours and have been extremely accommodating in returning the vast majority of SO's securities, and Stonehill is very appreciative of those efforts to date. However a substantial list of securities has not yet been delivered, and substantial cash has accumulated at LBI as well, which elements comprise SO's customer claim. This customer claim is supported by voluminous information; the attachments evidencing this claim are intended to provide ample support, but SO has substantial additional information that can be provided upon request.

**Securities**

SO received extensive deliveries of its securities in late October and in late December/early January; however, additional securities remain at LBI. A list of securities still carried at LBI is attached as SO Exhibit A.

**Cash**

SO's cash claim is presented in several components for ease of understanding:

**Component 1 – Error in Calculation at “True-Up” Date:**

In late October, 2008, at the time of the initial delivery of securities from LBI to SO, LBI's representatives performed a comprehensive analysis of SO's account and

calculated SO's cash balance to be, as of September 19, 2008, a debit amount (owed to LBI) of \$2,248,173.04. SO Exhibit B includes the Summary, and Brokerage Account Statement generated by LBI and delivered to SO at that time. On October 21, 2008, SO paid that amount to the SIPC trustee, effectively zeroing out its cash balance as of September 19, 2008. However, LBI's calculation excluded "type 5" cash, and also excluded the market value of SO's short positions, but the two items do not offset equally. Closing out SO's short positions as of September 19, per the estate's October 14 protocol, results in the cost to close out shorts being less than the type 5 cash by \$257,571.75 (see SO Exhibit C.) LBI thus owes SO this value difference.

Component 1 totals \$257,571.75

**Component 2 – "P&I" post September 19:**

From September 19, 2008, through the date of this claim, Stonehill is aware of principal, interest and other payments on securities custodied at LBI that have flowed to LBI, as presented on Exhibit D.

Component 2 is comprised of the following currencies:

USD 6,173,078.91  
GBP 5,262,140.69  
EUR 122,442.03  
CAD 164,576.11

**Component 3 – Misdirected Wires on Private Investments:**

After September 19, 2008, misdirected wires flowed to LBI with respect to non-custodied instruments (private investments.) In addition, certain foreign wires were sent to LBI just before LBI's proceeding, which were never posted to Stonehill's account (it was common for foreign wires to take several days to be posted, and the LBI proceeding interrupted the finalization.) Stonehill is aware of certain of these items which are listed on SI Exhibit E.

Component 3 is comprised of the following currencies:

USD 427,247.78  
EUR 262.34  
GBP 25,011.80

**Component 4 – Cash Transfer in mid-September:**

On September 17, 2008, two days before the SIPA proceeding, SO issued direction to LBI to transfer its securities and cash balance from LBI to an alternate prime broker. LBI

demanded that SO post cash collateral in order to effect the transfer, and SO delivered \$5,500,000, which was transferred by LBI to SO account number 732-41222-1. (SO's account statement as of September 19, 2008 depicts this cash as an investment in a money market fund, however, that Lehman fund on or about that date closed itself to new investment, and the funds remained in cash, as depicted in the September 30, 2008 statement.) This cash was excluded from the "true-up" described under Component 1 above, and still resides at LBI. SO Exhibit F provides supporting documentation.

Component 4 totals \$5,500,000.00

**Component 5 – Incomplete Transaction re MAC Funding Purchase:**

On trade date August 7, 2008 SI agreed to purchase from JP Morgan 2,000,000 MAC Funding 1 Ltd (cusip 55261B202) for consideration of \$655,000, by physical settlement. LBI debited cash in that amount from SI's account on August 12, 2008. Subsequent to the September 19 date of proceeding, we learned from JP Morgan that the trade had never settled: JP Morgan had not delivered the security to LBI and LBI had not paid the cash to JP Morgan. LBI must return that improperly debited cash to SO. Reference SO Exhibit G.

Component 5 totals \$655,000

**Component 6 – Incomplete Transaction re US Power Generating Company:**

On trade date March 27, 2008, Stonehill's two funds executed with LBI as the counterparty a negotiated sale of a private instrument: 15,130 shares of US Power Generating Company at a price of \$28 per share, for total consideration of \$423,640.00. Both SO and related account Stonehill Institutional Partners L.P. were the sellers; LBI was the buyer. The trade confirmations executed at the time are attached as Exhibit H (a). It was a private transaction subject to documentation, and had not closed by the September 19, 2008 date of the LBI proceeding.

At the time of the true-up described in Component 1, LBI personnel demanded that Stonehill Institutional Partners (SI) pay \$118,619.20 to the SIPC trustee in relation to this outstanding trade, which amount was paid on September 21, 2008. LBI misunderstood the nature of this transaction - LBI incorrectly treated this private, negotiated, unclosed trade as if it were a short sale by SI in which SI had failed to deliver the security, demanding collateral in the amount paid. This payment was improper and must be returned to SI. Please note that even though this trade was by both Stonehill funds (Institutional and Offshore, as evidenced by the trade confirmations), the payment demanded at time of true up was only demanded from SI, therefore this portion of this Component 6 claim is only claimed on behalf of SI, not SO, and is recounted here only for fullness of disclosure.

A second element of the claim arises from LBI's failure to close this negotiated trade. The current market value of US Power Gen stock is \$6 per share (see Exhibit H (b)); LBI's failure to close has cost Stonehill \$22 per share, times 8,730 shares (SO's portion of the trade), equals \$192,060.00.

Component 6 totals \$192,060.00

**Component 7 – Incomplete Transaction re Zarlink Semiconductor common:**

On August 15 and August 20, 2008, SO purchased shares in Zarlink Semiconductor with purchase prices of CAD 5,148.78 and CAD 16,936.56, for a total of CAD 22,085.34. JP Morgan, the clearing broker on the other side of the trade, was unable to settle prior to September 19, 2008. However, LBI debited SO's cash in these amounts at the time of trade and never returned the funds to SO. Exhibit I provides further detail.

Component 7 totals CAD 22,085.34

**Component 8 – Forward Sales of Foreign Currencies:**

Stonehill's portfolio included investments denominated in foreign currencies. To hedge such exposure, Stonehill routinely executed under its prime brokerage agreement with LBI forward sales of foreign currencies. Stonehill believes that no other Lehman entity other than LBI was involved in these transactions. SO had numerous foreign currency transactions open as of September 19, 2008, which were in a gain position because the dollar had strengthened against the foreign currencies during the term of the contracts. A brokerage statement listing the transactions, and their market values, and Stonehill's summary of that brokerage statement for ease of understanding, is SO Exhibit J.

Component 8 totals \$6,135,929.26

**Component 9 – Cash Applied Late re Sale of Boston Gen:**

On trade date August 1, 2008, SO executed with a third party (Kelts LLC) a negotiated sale of a private instrument: 2,000,000 EBG Holdings bank debt (aka Boston Gen) for a total consideration of \$1,788,283.65. The trade confirmation executed at the time is attached as SO Exhibit K(a). The transaction closed on August 26, 2008 and Kelts funded the purchase price to LBI (see closing documents SO Exhibit K(b).) LBI acknowledged receipt, but failed to post the cash to SO's account until October 10, 2008, (see email correspondence attached as SO Exhibit K(c)). Therefore this cash was excluded from the calculation done at the time of the "true-up" discussed under Component 1 above, and LBI owes this cash to SO.

Component 9 totals \$1,788,283.65

**Component 10 – Interest on Accumulated Cash Balances:**

If the court determines it appropriate, interest may be payable to SO on the accumulated cash balances which have resided at LBI. Stonehill cannot estimate the amount absent direction regarding the appropriate interest rates and a determination of the dates and amounts of funds received by LBI on SO's behalf.

The amount of this Component 10 claim cannot be quantified without direction from LBI and is therefore estimated.

**Component 11 – Other Post Date of Claim and Unknown Activity:**

Other amounts may have flowed into LBI with respect to SO's custodied securities of which we are not currently aware, and it is certain that amounts will continue to flow to LBI on securities which continue to be carried at LBI after the date of this claim. SO includes these presently unquantifiable amounts in its claim. As part of this claim, SO requests that LBI provide an accounting from September 19, 2008 forward of any cash items received or due with respect to custodied securities or other customer property of SO.

With regard to private investments, SO has no comprehensive way of determining what payments have flowed into LBI referencing Stonehill's account number or name. Considering Stonehill's distressed investing strategy, Stonehill's portfolio includes many private instruments which have irregular and unpredictable distribution dates, often without notice to us other than information conveyed by the wire transfer itself. As part of this claim, SO requests that LBI provide an accounting from September 19, 2008 forward of any cash items referencing any of the Stonehill accounts, and any Stonehill entity name, and includes all such presently unquantifiable amounts in its claim.

The amount of this Component 11 claim cannot be quantified and is therefore estimated.

**End of Document**

**1**

MARGIN SUMMARY  
COB  
9-18-08

**TOTAL COLLATERAL**

TOTAL LMV TYPE 1 LONG POSITIONS (US\$)	266,659,029.00
TOTAL LMV TYPE 1 LONG POSITIONS (C\$ value converted to US\$)	12,599,576.53
TOTAL LMV TYPE 1 LONG POSITIONS (BP value converted to US\$)	1,698,499.33
TOTAL LMV TYPE 1 LONG POSITIONS (EM value converted to US\$)	2,724,187.15
TOTAL LMV TYPE 1 LONG POSITIONS (JY value converted to US\$)	0.00
TOTAL LMV TYPE 2 LONG POSITIONS (US\$)	33,123,055.72
TOTAL LMV TYPE 2 LONG POSITIONS (C\$ value converted to US\$)	349,136.76
TOTAL LMV TYPE 2 LONG POSITIONS (BP value converted to US\$)	0.00
TOTAL LMV TYPE 2 LONG POSITIONS (EM value converted to US\$)	0.00
TOTAL LMV TYPE 2 LONG POSITIONS (JY value converted to US\$)	0.00

**TOTAL USD DELIVERABLE COLLATERAL 299,782,084.72**

TYPE 1 CASH (US\$)	230,007.94
TYPE 1 CASH C\$ (value converted to US\$)	0.00
TYPE 1 CASH BP (value converted to US\$)	0.00
TYPE 1 CASH JY (value converted to US\$)	0.00
TYPE 1 CASH EM (value converted to US\$)	0.00
TYPE 2 CASH (US\$)	0.00
TYPE 2 CASH C\$ (value converted to US\$)	0.00
TYPE 2 CASH BP (value converted to US\$)	134,366.80
TYPE 2 CASH JY (value converted to US\$)	0.00
TYPE 2 CASH EM (value converted to US\$)	0.00

**TOTAL USD CASH COLLATERAL 230,007.94**

**TOTAL EXPOSURES**

TYPE 2 DEBIT BALANCE	531,364.02
TYPE 2 (C\$) DEBIT BALANCE	1,936,073.34
TYPE 2 (EM) DEBIT BALANCE	145,110.42

**TOTAL EXPOSURE 2,612,547.78**

**TOTAL COLLATERAL NEEDED TO COVER EXPOSURE 2,248,173.04**

TOTAL VALUE OF COLLATERAL AVAILABLE FOR DELIVERY	314,905,311.44
TOTAL CASH AVAILABLE FOR PAYMENT	0.00

\*\*Note: Proceeds generated from the close out of shorts will result in a cash in lieu claim

So Exhibit B



TC	OPEN T/D BAL	CLOSE T/D BAL	OPEN S/D BAL	CLOSE S/D BAL	MARKET VALUE	DLA
12	23,657.18-	230,007.94-	213,657.18-	230,007.94-	266,659,029	09/19/08
12	1,380,961.05-	531,364.02	1,071,771.29	2,984,096.36	33,123,055	09/19/08
54	286,948.36-	56,231,081.00-	54,286,948.36-	56,231,081.00-	55,786,251-	09/19/08
55	881,566.59-	55,929,724.92-	53,428,634.25-	55,476,992.58-	243,985,832	

TS/DATE	LONG/SHORT(-)	DESCRIPTION	CUSIP/SEC	PRICE/ENT	T/D	TRD #	DEBIT/CREDIT(-)
12 09/19		MMMSAIR GROUP FINANCE B V	5196207		09/19		1,997,853.90-
12 09/19		REV ENTRY OF 5-30 DUE TO INCORRECT FX					
12 09/19		MMMSAIR GROUP FINANCE B V	5196207		09/19		1,997,853.90-
12 09/19		DUE 06/08/2006 4.375					
12 09/19		REC 5/16/08 PAY 5/28/08					
12 09/19		ON 23417000 BNDS					
12 09/19		MARK TO MARKET					
12 09/19		INMIRE RF00919B6B7H2R008975					
12 09/19		026009593					
12 09/19		PART NERS LTD FCC A C 732 401					
12 09/19		HCI COMMUNITIES, INC					
12 09/19		MARK TO MARKET SHORT POS					

TS/DATE	LONG/SHORT(-)	SECURITY DESCRIPTION	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12 09/19		ACAT DELIVERY IN PROGRESS	XKX0009280	0.00000	0	0
12 09/19		DO NOT TRANSFER SECURITIES	A000928			
12 09/19		ACACIA RESEARCH - ACACIA TECHNOLOGIES	0038813070	4.38000	2,122,026	1,453,443
12 09/19		ABOVENET INC	A013707	54.03000H	21,228,495	21,228,495
12 09/19		WTS ABOVENET INC	00374N1070	392,902.0000	1,240,000	372,000
12 09/19		WTS ABOVENET INC	00374N1230	31.00000H	1,240,000	372,000
12 09/19		MMBARATT DEVELOPMENTS PLC	A017485	40,000.0000	5,922,728	5,922,728
12 09/19		COMFORCE CORP	G082881050	2.71700H	5,922,728	5,922,728
12 09/19		WTS CD RADIO INC	B137756	1.99000	567,747	567,747
12 09/19		EXP 5/15/2009 ACCREDITED INVS	20038K1090	265,300.0000	0	0
12 09/19		COMDISCO HOLDING COMPANY INC	1251271590	0.00000H	65,307	65,307
12 09/19		CATTLESAL COMPANY	C010314	9.80000H	0	0
12 09/19		CORE MARK HOLDING CO INC	C012108	0.00000H	0	0
12 09/19			1496791070	25,942.0000	112,045	112,045
12 09/19			C012394			
12 09/19			2166811040			
12 09/19			C014818			

CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93763	
TC	LDA	RR: H&L STONEHILL	OFFSHORE	CURR-CODE: 000	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	043008	LONG/SHORT(-)	SECURITY DESCRIPTION	CUSIP/SEC	1.47292H	164,674	164,674
12	031808	111,801.0000	WINGCAPEX SA-ORD	P2006N1020	0.00000H	0	0
12	031808	36.0000	AP I PAR	C060316 SB	111,801.0000	0	0
12	031808	080,395.0000	DECISIONONE CORP NEW	2434571080	0.00000H	0	0
12	031808	50,913.0000	WINGCAPEX COPPER CORPORATION	D004752 SB	36.0000	0	0
12	092707	19,346.0000	WINGCAPEX ALLIANCE	F104640 SB	1.53675	1,352,947	1,352,947
12	111607	11,911.0000	WINGCAPEX WATER SUPPLY HL	G418151040	0.00000H	0	0
12	091608	402,500.0000	WTS ITC COMMUNICATIONS INC	G005001 SK	50,913.0000	0	0
12	031808	51,750.0000	HOVANIAN ENTERPRISES INC-CL A	G385411010	0.00000H	0	0
12	091608	2,718,868.0000	RIS KAISER GOVT PROGRAMS INC	G005020 SK	0.00000H	0	0
12	091608	44,482.0000	PUT RT PUR PRD KAISER GROUP	4492461150	0.00000H	0	0
12	090208	2,000,000.0000	COH 144A	H011304 SB	11,911.0000	0	0
12	090208	346,623.0000	LEHMAN BROS HLDS INC	4424872030	9.05000	3,642,625	1,821,312
12	090208	75,745.0000	DEP SH REPSTG 1/100TH 7.95%	H394718 SB	402,500.0000	0	0
12	090208	53,071.0000	PRIN PROTECTED SECS ACCREDITED	4630581110	0.00000	0	0
12	090208	70,964,707.0000	NEENAH ENTERPRISES INC	K002715 SB	51,750.0000	0	0
12	091908	134,259.0000	WTS NEENAH ENTERPRISES INC	49373X1030	0.00000H	0	0
12	092607	1,341,254.0000	PATENT LITIGATION TR	K003938 SB	2,718,868.0000	0	0
12	092607	11,483,635.0000	BENEFICIAL TRUST INTERESTS	52520W3170	0.11000H	4,893	4,893
12	092607		WINGCAPEX PRODUCE TBK	L008500 SB	44,482.0000	0	0
12	092607		SUNSHINE MNG & REFINO COMPANY	55261B2020	0.00000H	0	0
12	092607		PAR 70.01	M014518 SB	2,000,000.0000	537,265	537,265
12	092607			64007P1030	1.55000H	0	0
12	092607			N009197 SB	346,623.0000	0	0
12	092607			64007P1110	0.00000	0	0
12	092607			N009546 SB	75,745.0000	0	0
12	092607			7030441070	0.00050H	26	26
12	092607			P011578 SB	53,071.0000	377,532	377,532
12	092607			V7144Y1340	0.00532H	402,777	402,777
12	092607			P017046 SB	70,964,707.0000	10,730,032	10,730,032
12	092607			N741081060	3.99000	0	0
12	092607			P019436 SB	134,259.0000	0	0
12	092607			R005485 SB	1,341,254.0000	0	0
12	092607			S011728 SB	11,483,635.0000	0	0

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732-40125	RR: H01 STONEHILL	CURR-CODE: 000					
TC LDA	LONG/SHORT(-)	SECURITY DESCRIPTION		CUSIP/SEC		PRICE	
12 092607	5,000.0000	MMSIDEK CREDITOR TRUST		G011701240		0.0000H	
12 031808	233,100.0000	TR CTF SER B		S015075 SB		5,000.0000	
12 091708	9,200.0000	IDFX INTERACTIVE INC		88553X1030		0.01700H	
12 031808	244,444.0000	NEWTRANSCOCEAN INC		T001116 SB		233,100.0000	
12 031808	13,000.000.0000	NEWTRANSCOCEAN INC		G900731000		125.40000H	
12 030908	45,471.0000	COM 144A		T010389 SB		9,200.0000	
12 091608	92,000.0000	MANTLEGLOBE CANADA INC		88605P1080		0.00000H	
12 051508	187.0000	TEMP 8X 10/23/2026		T010488 SB		244,444.0000	
12 031808	201,455.0000	MANTLEGLOBE CANADA INC		87961T9720		0.00000	
12 091608	5,520.0000	NEWTRANSCOCEAN INC		T106832 SB		13,000.000.0000	
12 091708	2,091,544.0000	MANTLEGLOBE CANADA INC		G885761060		5.50000H	
12 092607	120,000.0000	US AIRWAYS GROUP INC		T106117 SB		45,471.0000	
12 092607	500,000.0000	MANTLEGLOBE CANADA INC		90361W1080		7.91000	
12 092607	7,600,000.0000	MANTLEGLOBE CANADA INC		U003620 SB		92,000.0000	
12 092607	195,294.0000	MANTLEGLOBE CANADA INC		G936471110		1.00000H	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		U006215 SB		187.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		94769A1190		0.00000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		W003685 SB		201,455.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		9393228140		1,849,200	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		W005336 SB		5,520.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		9891391000		1,024,856	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		Y001713 SB		2,091,544.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		36099ACJ00		0.00000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		38BWTX8 SB		120,000.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		64999BUL90		0.00000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		38BZCT2 SB		500,000.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		13077Y9A60		4.00000H	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		3006857 SB		7,600,000.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		607168AY70		0.00000H	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		3661870 SB		195,294.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		12560PEA50		99.31400H	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC		58B0TK4 SB		5,500,000.0000	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC				5,462,270	
12 092607	5,500,000.0000	MANTLEGLOBE CANADA INC				1,638,681	

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TC LDA	RR: H&I STONEHILL	SECURITY DESCRIPTION	CURR-CODE: 000	CUSIT/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12 031808	LONG/SHORT(-)	STANFIELD VICTORIA FIN LTD MTN	85431AFH0	5BBSB4 SB	0.0000H	0	0
12 031808	550,000.0000	VR 032406-032509			550,000.0000		
12 092507	29,260,000.0000	DUE 03/25/2009					
12 090208	6,500,000.0000	SR SUB NOTES - ESCROW CUSIP-					
12 060308	460,000.0000	DUE 09/01/2005 11.000%					
12 071008	3,450,000.0000	MMMAC CAPITAL LTD					
12 122007	6,050,000.0000	DUE 07/24/2017					
12 080408	3,450,000.0000	MEENAH CORP					
12 080508	15,410,000.0000	SR SECND NT					
12 080608	3,523,920.0000	DUE 01/01/2017 9.500%					
12 080708	18,170,000.0000	GMACH HOME EQUITY LOAN TRUST					
12 080808	6,670,000.0000	MTGPC/SERIES 2007-HE1 A-4-VAR					
12 080908	3,450,000.0000	DUE 08/25/2037 5.952%					
12 081008	3,523,920.0000	MAC CAPITAL LTD					
12 081108	18,170,000.0000	SER 2007-1 CL B-2L 144A/3C7					
12 081208	3,450,000.0000	DUE 07/26/2023 7.045%					
12 081308	3,523,920.0000	GMACH HOME EQUITY LN TR					
12 081408	18,170,000.0000	SERIES 2007-HE2 CLASS A6					
12 081508	3,450,000.0000	DUE 12/25/2037 6.249%					
12 081608	3,523,920.0000	GMACH HOME EQUITY LN TR					
12 081708	18,170,000.0000	SERIES 2007-HE2 CLASS A2					
12 081808	3,450,000.0000	DUE 12/25/2037 6.054%					
12 081908	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 082008	3,450,000.0000	SERIES 2007-HE2 CLASS A4					
12 082108	18,170,000.0000	DUE 12/25/2037 6.424%					
12 082208	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 082308	18,170,000.0000	SERIES 2007-HE2 CLASS A3					
12 082408	3,450,000.0000	DUE 12/25/2037 6.193%					
12 082508	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 082608	3,450,000.0000	SERIES 2007-HE2 CLASS A5					
12 082708	18,170,000.0000	DUE 12/25/2037 6.193%					
12 082808	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 082908	18,170,000.0000	SERIES 2007-HE2 CLASS A6					
12 083008	3,450,000.0000	DUE 12/25/2037 6.193%					
12 083108	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 083208	3,450,000.0000	SERIES 2007-HE2 CLASS A7					
12 083308	18,170,000.0000	DUE 12/25/2037 6.193%					
12 083408	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 083508	18,170,000.0000	SERIES 2007-HE2 CLASS A8					
12 083608	3,450,000.0000	DUE 12/25/2037 6.193%					
12 083708	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 083808	3,450,000.0000	SERIES 2007-HE2 CLASS A9					
12 083908	18,170,000.0000	DUE 12/25/2037 6.193%					
12 084008	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 084108	18,170,000.0000	SERIES 2007-HE2 CLASS A10					
12 084208	3,450,000.0000	DUE 12/25/2037 6.193%					
12 084308	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 084408	3,450,000.0000	SERIES 2007-HE2 CLASS A11					
12 084508	18,170,000.0000	DUE 12/25/2037 6.193%					
12 084608	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 084708	18,170,000.0000	SERIES 2007-HE2 CLASS A12					
12 084808	3,450,000.0000	DUE 12/25/2037 6.193%					
12 084908	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 085008	3,450,000.0000	SERIES 2007-HE2 CLASS A13					
12 085108	18,170,000.0000	DUE 12/25/2037 6.193%					
12 085208	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 085308	18,170,000.0000	SERIES 2007-HE2 CLASS A14					
12 085408	3,450,000.0000	DUE 12/25/2037 6.193%					
12 085508	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 085608	3,450,000.0000	SERIES 2007-HE2 CLASS A15					
12 085708	18,170,000.0000	DUE 12/25/2037 6.193%					
12 085808	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 085908	18,170,000.0000	SERIES 2007-HE2 CLASS A16					
12 086008	3,450,000.0000	DUE 12/25/2037 6.193%					
12 086108	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 086208	3,450,000.0000	SERIES 2007-HE2 CLASS A17					
12 086308	18,170,000.0000	DUE 12/25/2037 6.193%					
12 086408	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 086508	18,170,000.0000	SERIES 2007-HE2 CLASS A18					
12 086608	3,450,000.0000	DUE 12/25/2037 6.193%					
12 086708	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 086808	3,450,000.0000	SERIES 2007-HE2 CLASS A19					
12 086908	18,170,000.0000	DUE 12/25/2037 6.193%					
12 087008	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 087108	18,170,000.0000	SERIES 2007-HE2 CLASS A20					
12 087208	3,450,000.0000	DUE 12/25/2037 6.193%					
12 087308	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 087408	3,450,000.0000	SERIES 2007-HE2 CLASS A21					
12 087508	18,170,000.0000	DUE 12/25/2037 6.193%					
12 087608	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 087708	18,170,000.0000	SERIES 2007-HE2 CLASS A22					
12 087808	3,450,000.0000	DUE 12/25/2037 6.193%					
12 087908	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 088008	3,450,000.0000	SERIES 2007-HE2 CLASS A23					
12 088108	18,170,000.0000	DUE 12/25/2037 6.193%					
12 088208	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 088308	18,170,000.0000	SERIES 2007-HE2 CLASS A24					
12 088408	3,450,000.0000	DUE 12/25/2037 6.193%					
12 088508	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 088608	3,450,000.0000	SERIES 2007-HE2 CLASS A25					
12 088708	18,170,000.0000	DUE 12/25/2037 6.193%					
12 088808	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 088908	18,170,000.0000	SERIES 2007-HE2 CLASS A26					
12 089008	3,450,000.0000	DUE 12/25/2037 6.193%					
12 089108	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 089208	3,450,000.0000	SERIES 2007-HE2 CLASS A27					
12 089308	18,170,000.0000	DUE 12/25/2037 6.193%					
12 089408	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 089508	18,170,000.0000	SERIES 2007-HE2 CLASS A28					
12 089608	3,450,000.0000	DUE 12/25/2037 6.193%					
12 089708	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 089808	3,450,000.0000	SERIES 2007-HE2 CLASS A29					
12 089908	18,170,000.0000	DUE 12/25/2037 6.193%					
12 090008	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 090108	18,170,000.0000	SERIES 2007-HE2 CLASS A30					
12 090208	3,450,000.0000	DUE 12/25/2037 6.193%					
12 090308	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 090408	3,450,000.0000	SERIES 2007-HE2 CLASS A31					
12 090508	18,170,000.0000	DUE 12/25/2037 6.193%					
12 090608	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 090708	18,170,000.0000	SERIES 2007-HE2 CLASS A32					
12 090808	3,450,000.0000	DUE 12/25/2037 6.193%					
12 090908	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 091008	3,450,000.0000	SERIES 2007-HE2 CLASS A33					
12 091108	18,170,000.0000	DUE 12/25/2037 6.193%					
12 091208	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 091308	18,170,000.0000	SERIES 2007-HE2 CLASS A34					
12 091408	3,450,000.0000	DUE 12/25/2037 6.193%					
12 091508	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 091608	3,450,000.0000	SERIES 2007-HE2 CLASS A35					
12 091708	18,170,000.0000	DUE 12/25/2037 6.193%					
12 091808	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 091908	18,170,000.0000	SERIES 2007-HE2 CLASS A36					
12 092008	3,450,000.0000	DUE 12/25/2037 6.193%					
12 092108	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 092208	3,450,000.0000	SERIES 2007-HE2 CLASS A37					
12 092308	18,170,000.0000	DUE 12/25/2037 6.193%					
12 092408	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 092508	18,170,000.0000	SERIES 2007-HE2 CLASS A38					
12 092608	3,450,000.0000	DUE 12/25/2037 6.193%					
12 092708	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 092808	3,450,000.0000	SERIES 2007-HE2 CLASS A39					
12 092908	18,170,000.0000	DUE 12/25/2037 6.193%					
12 093008	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 093108	18,170,000.0000	SERIES 2007-HE2 CLASS A40					
12 093208	3,450,000.0000	DUE 12/25/2037 6.193%					
12 093308	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 093408	3,450,000.0000	SERIES 2007-HE2 CLASS A41					
12 093508	18,170,000.0000	DUE 12/25/2037 6.193%					
12 093608	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 093708	18,170,000.0000	SERIES 2007-HE2 CLASS A42					
12 093808	3,450,000.0000	DUE 12/25/2037 6.193%					
12 093908	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 094008	3,450,000.0000	SERIES 2007-HE2 CLASS A43					
12 094108	18,170,000.0000	DUE 12/25/2037 6.193%					
12 094208	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 094308	18,170,000.0000	SERIES 2007-HE2 CLASS A44					
12 094408	3,450,000.0000	DUE 12/25/2037 6.193%					
12 094508	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 094608	3,450,000.0000	SERIES 2007-HE2 CLASS A45					
12 094708	18,170,000.0000	DUE 12/25/2037 6.193%					
12 094808	3,450,000.0000	GMACH HOME EQUITY LN TR					
12 094908	18,170,000.0000	SERIES 2007-HE2 CLASS A46					
12 095008	3,450,000.0000	DUE 12/25/2037 6.193%					
12 095108	18,170,000.0000	GMACH HOME EQUITY LN TR					
12 095208	3,450,000.						

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732-40125	RR: H&I STONEHILL	CURR-CODE: 000					
TC LDA	LONG/SHORT(-)	SECURITY DESCRIPTION	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT	
12 080408	26,875,000.0000	RESIDENTIAL CAP LLC	76114AE20	62.00000H	16,662,500	16,662,500	
		SR SECD NT	5BDQMP4 SB	26,875,000.0000			
061308	4,600,000.0000	DUE 05/15/2010 8.500%	85431AJM00	0.00000	0	0	
		STANFIELD VICTORIA FIN LTD	5BDHSQ5 SB	4,600,000.0000			
12 090208	7,625,000.0000	DUE 01/25/2008					
		CAPMARK FINL GROUP INC SR NT	140661AD10	76.93300	5,866,141	1,759,862	
		FLT 10	5BDKTR1 SB	7,625,000.0000			
081108	2,294,000.0000	DUE 05/10/2010 3.452%	98961UAJ50	0.00000H	0	0	
		ZIFF DAVIS MEDIA INC	5BDNVY1 SB	2,294,000.0000			
		SR SECD NT FLTG RATE NEW					
071808	9,085,000.0000	DUE 05/01/2012	9896SC9910	0.00000H	0	0	
		ZIFF DAVIS MEDIA INC	5BDNVZ6 SB	9,085,000.0000			
		SR SECD NT - ESCROW CUSIP -					
081208	201,000.0000	DUE 05/01/2012	612MNTBA90	0.00000	0	0	
		MONTANA POWER CO	5BDQMJ0 SB	201,000.0000			
		- TENDER OFFER -					
080808	340,000.0000	DUE 12/21/2026	612MNT9C40	0.00000	0	0	
		MONTANA POWER CO	5BDQNT2 SB	340,000.0000			
		- CONTRA CUSIP -					
082008	197,000.0000	DUE 12/23/2026	612MNT9860	0.00000	0	0	
		MONTANA POWER CO	5BDQPD8 SB	197,000.0000			
		- TENDER OFFER -					
081108	11,676,000.0000	DUE 12/20/2006	66899ABG60	0.00000	0	0	
		CB NORTHWESTERN CORP	5BDQSC5 SB	11,676,000.0000			
		- CONTRA CUSIP -					
082008	16,863,000.0000	DUE 03/15/2007 7.075%	66899ABF80	0.00000	0	0	
		NORTHWESTERN CORPORATION	5BDRLG4 SB	16,863,000.0000			
		SENIOR DEBENTURE					
081108	7,528,000.0000	DUE 11/15/2028 6.950%	66899ABH40	0.00000	0	0	
		NORTHWESTERN CORP	5BDXBS2 SB	7,528,000.0000			
		- CONTRA CUSIP -					
091208	4,950,000.0000	DUE 03/15/2012 8.750%	9262G0AL30	0.00000	0	0	
		VICTORIA FIN LTD 144A VR	5BFRPV0 SB	4,950,000.0000			
		090908-121208					
091208	1,100,000.0000	DUE 12/12/2006	9262G0AF60	0.00000	0	0	
		VICTORIA FIN LTD 144A VR	5BFRBQ5 SB	1,100,000.0000			
		090908-021709					
031808	4,644,999.0000	DUE 02/17/2009	393505UY60	0.00000H	0	0	
		GREEN TREE FINL CORP	5C48250 SB	4,644,999.0000			
		SER 1997-4 MFD HSG SR/SUB					
		DUE 02/15/2029 7.730%					
					AMORTIZED AMOUNT	2614,347.94	

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TC	LD	RR: HBI STONEHILL	SECURITY DESCRIPTION	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	031808	18,501,000.0000	PAP HEALTHCARE CORPORATION	693364AC70	0.00000H	0	0
			SUB DEB CV	5002347	18,501,000.0000	0	0
			DUE 12/15/2002				
			MMPOLLY PECK INTERNATIONAL	67156AH20	0.00000H	0	0
			DUE 01/03/1997	5018341	10,815,000.0000	0	0
			ESC COMDISCO INC	2003368R90	0.00000H	0	0
			NOTE - ESCROW -	5030910	1,450,000.0000	0	0
			DUE 01/15/2003				
			IONICA PLC	462213AJ80	0.00000H	0	0
			SR NOTE	5033225	3,000,000.0000	0	0
			DUE 08/15/2006				
			ESC KITTY HAWK INC	4983269C30	0.00000H	0	0
			SR SECD NTS	5037926	11,530,000.0000	0	0
			DUE 11/15/2004				
			WOLVERINE TUBE INC	978093AE20	92.00000	888,720	888,720
			SENIOR NOTE SER B	5042652	966,000.0000	0	0
			DUE 04/01/2009				
			CENTRAL TRACTOR FARM & COUNTRY	155560AA30	0.00000	0	0
			INC SR NOTE	5046016	2,540,000.0000	0	0
			DUE 04/01/2007				
			IONICA PLC	462213AK50	0.00000H	0	0
			SENIOR DISC NOTES	5051503	3,000,000.0000	0	0
			DUE 05/01/2007				
			KEY PLASTICS INC	493137AD50	0.00000H	0	0
			SR SUB NOTE SER B	5065089	1,650,000.0000	0	0
			DUE 03/15/2007				
			PRATAMA DATACOM ASIA	739731AB30	0.00000H	0	0
			ACCREDITED INVS	5070317	500,000.0000	0	0
			DUE 07/15/2005				
			ENERGY GROUP OVERSEAS BV	292689AC00	32.50000H	6,136,000	1,888,000
			GTD NOTES 7.375% 10/9/98	5070867	18,880,000.0000	0	0
			DUE 10/15/2017				
			ENERGY GROUP OVERSEAS BV	292689AD80	32.50000H	9,955,725	3,063,300
			GTD NT	5071495	30,633,000.0000	0	0
			DUE 10/15/2027				
			MRG ENERGY INC	629377AD40	0.00000	0	0
			SR NOTE	5075991	34,450,000.0000	0	0
			DUE 06/15/2007				
			READ RITE CORP	755246AA30	0.00000	0	0
			CONV SUB NOTES	5077083	10,350,000.0000	0	0
			DUE 09/01/2004				

BRHS6	CLIENT	MARGIN ACTIVITY STATEMENTS	PAGE
732-40125	RR: H01 STONEHILL	CURR-CODE: 000	09/19/08
TC LBA	LONG/SHORT(-)	CUSTP/SEC	PRICE
12 012906	5,550,000.0000	XX50935970	0.00000
		5093597	5,550,000.0000
		92326YAD10	0.00000H
		5102065	7,125,000.0000
		537902AC20	0.00000
		5109706	20,005,000.0000
		15115MAL50	0.00000H
		5109824	70,000,000.0000
		24770LAB10	0.00000H
		5115626	3,092,000.0000
		262497AG50	0.00000H
		5125009	5,004,000.0000
		XX51233170	0.00000
		5123317	2,410,000.0000
		488035AC00	0.00000H
		5125334	14,153,000.0000
		13134YAA50	107,50000H
		5120805	12,650,000.0000
		671536AF60	0.00000H
		5131395	18,090,000.0000
		462691AA40	0.00000H
		5132068	1,000,000.0000
		67703AAD70	0.00000H
		5142263	56,450,000.0000
		488035AE60	0.00000H
		5142368	24,440,000.0000
		74437CAB70	0.00000H
		5142821	83,989,000.0000
		AMORTIZED AMOUNT	72186,756.53



BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93770	
732-40125	RR: H81 STONEHILL	CURR-CODE: 000					
TC LDA	LONG/SHORT(-)						
12 031808	8,250,000.0000						
		OFFSHORE					
		SECURITY DESCRIPTION					
		INSILCO HOLDING CO					
		SR DISC NT					
		DUE 08/15/2008 14.000%					
		SMAIR					
		DUE 07/07/2005 0.125%					
		MEMSL COMMUNICATION PLC					
		SR NTS					
		DUE 03/01/2008 9.125%					
		CHS ELECTRONICS INC					
		SENIOR NOTES					
		DUE 04/15/2005 9.875%					
		MMCENTAUR MINING & EXPL LTD					
		SENIOR SECND NOTE					
		DUE 12/01/2007 11.000%					
		EXODUS COMMUNICATIONS INC					
		SR NTS					
		DUE 07/01/2008 11.250%					
		WHEELING PITTSBURGH STL CORP					
		SR SECND NT					
		DUE 08/01/2010 6.000%					
		SAFETY KLEEN SERVICES INC					
		SR SUB NOTE					
		DUE 06/01/2008 9.250%					
		NRG ENERGY INC					
		SENIOR DEB					
		DUE 05/15/2006 6.500%					
		MMCSAIR GROUP FINANCE B V					
		DUE 06/08/2006 4.375%					
		PSINET INC					
		SR NTS					
		DUE 11/01/2008 11.500%					
		MCI COMMUNITIES INC					
		CONV SENIOR SUB NOTE					
		DUE 10/01/2013 7.875%					
		SECURITIZED MULTIPLE ASSET					
		RATED TR 1997-5 ASSET BACKED					
		DUE 06/15/2005 7.720%					
		NRG ENERGY INC					
		SR NOTE					
		DUE 06/01/2009 7.500%					
		CUSIP/SEC		PRICE		MARKET VALUE	
		457661AA40		0.00000H		0	
		5143514		8,250,000.0000		0	
		SB					
		H7110NAD50		12.17100H		1,960,630	
		5144489		16,275,000.0000		594,249	
		SB					
		74972EAC20		0.00000H		0	
		5145204		24,385,000.0000		0	
		SB					
		12542AB30		0.00000H		0	
		5147251		27,500,000.0000		0	
		SB					
		15133CAC50		0.00000H		0	
		5150557		100,930,000.0000		AMORTIZED AMOUNT 89870,352.00	
		SB					
		302088AB50		0.00000H		0	
		5158280		50,420,000.0000		0	
		SB					
		963150AA50		53.75000H		3,604,100	
		5169853		6,705,304.0000		1,081,230	
		SB					
		766490AA30		0.00000H		0	
		5173374		34,270,000.0000		0	
		SB					
		629377AM20		0.00000H		0	
		5174451		25,057,250.0000		0	
		SB					
		H5639BA60		0.00000H		0	
		5196207		23,417,000.0000		0	
		SB					
		74437CAD30		0.00000H		0	
		5200900		76,891,000.0000		AMORTIZED AMOUNT 65681,945.35	
		SB					
		92923CAM60		39.00000H		7,628,400	
		5214313		19,560,000.0000		7,628,400	
		SB					
		81375BAJ10		0.00000H		0	
		5216675		27,850,000.0000		0	
		SB					
		629377AE20		0.00000H		0	
		5219666		34,450,000.0000		0	
		SB					

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BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93771	
TC	LDA	RR: H81 STONEHILL	SECURITY DESCRIPTION	CURR-CODE: 000	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	031808	8,800,000.0000	CONSUMER PACKAGING INC	21061PAD80	0.00000H	0	0
			SR NOTE	5220319 SB	8,800,000.0000	0	0
			DUE 02/01/2007				
			INSILCO CORP	457659AM20	0.00000H	0	0
			SR SUB NOTE SER-B	5223763 SB	23,300,000.0000	0	0
			DUE 08/15/2007				
			MEMPOLY PECK INTL FINANCE LTD	071536AB50	0.00000H	0	0
			DUE 11/19/1990	5225032 SB	23,420,000.0000	0	0
			WCI COMMUNITIES INC	92923CAK00	33.00000	2,253,770	670,131
			CONV	5225280 SB	6,769,000.0000		
			DUE 08/05/2023				
			MEMSSEA HOLDINGS	XX52296810	0.00000H	0	0
			DUE 07/13/2049	5229681 SB	5,700.0000	0	0
			MEMPERGRINE INVEST HOLDINGS LTD	XX52299550	0.00000H	0	0
			DUE 06/20/2000	5229955 SB	2120,000,000.0000	0	0
			BUDGET GROUP INC	119003AF80	0.00000	0	0
			SR NTS	5230760 SB	6,395,000.0000	0	0
			DUE 04/01/2006				
			TELEGLOBE INC	87941TAD70	0.00000H	0	0
			GTD DEB	5231765 SB	26,335,000.0000	0	0
			DUE 07/20/2009				
			TELEGLOBE INC	87941TAE50	0.00000H	0	0
			DEB	5231763 SB	53,161,000.0000	0	0
			DUE 07/20/2029				
			GLOBAL RATED ELIGIBLE ASSET TR	37937MAD10	0.00000H	0	0
			1998-A ASSET BACKED NT A-3	5233639 SB	79,740,000.0000	0	0
			DUE 01/15/2002				
			SFC NEW HLDS INC	784123AF80	0.00000H	0	0
			SR SUB NT	5237126 SB	7,000,000.0000	0	0
			DUE 08/15/2003				
			SECURITIZED MULTIPLE ASSET	81375BAK80	0.00000H	0	0
			RATED TR 1997-5ASSET BACKED	5245527 SB	18,600,000.0000	0	0
			DUE 03/15/2005				
			GST NETWORK FUNDING INC	36228VAC90	0.00000	0	0
			SENIOR DISC NOTE	5246447 SB	4,000,000.0000	0	0
			DUE 05/01/2008				
			CARRIER INTL S A	144500AC90	0.00000H	0	0
			SR NOTE SER B	5247881 SB	3,215,000.0000	0	0
			DUE 02/15/2009				



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BMRB6 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93773	
TC	LD	RR: H01 STONEHILL	SECURITY DESCRIPTION	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	031808	LONG/SHORT(-)	CONTINENTAL AIRLINES INC SR	2107959940	0.0000H	0	0
12	031808	26,400,000.0000	NOTES GTD-REG-ESCROW	5272505 SB	26,400,000.0000	0	0
12	011708	133,370,000.0000	PSINET INC	74437CAG60	0.0000H	0	0
12	092607	300,000.0000	SR NOTE	527979 SB	133,370,000.0000	AMORTIZED AMOUNT 116603,283.75	0
12	010908	48,443,000.0000	MMTNU EASTERN FUNDING	69143JAE00	0.0000H	0	0
12	092607	2,250,000.0000	DUE 03/08/2030	5275991 SB	300,000.0000	0	0
12	031808	4,218,000	MMPSINET INC	XX5272070	0.0000	0	0
12	031808	100.0000	EURO SERIES	5277207 SB	48,443,000.0000	0	0
12	031808	5,985,000.0000	DUE 12/01/2006	54986QAA50	0.0000	0	0
12	031808	1,850,000.0000	LUKENS INC	5278012 SB	2,250,000.0000	0	0
12	031808	3,262,000.0000	MEDIUM TERM NOTES	63944MAA50	0.0000H	0	0
12	031808	23,850,000.0000	DUE 02/01/2006	5281808 SB	4,218,000	0	0
12	031808	15,218,000.0000	MMGND BONDHOLDER TRUST	5282351 SB	0.0000H	0	0
12	031808	4,036,450.0000	OFFSHORE TR CTF REG S	297662AB00	0.0000	0	0
12	031808	9,213,000.0000	DUE 03/31/2000	5294718 SB	5,985,000.0000	0	0
12	031808	18,635,000.0000	GRD BONDHOLDER TRUST	XX52964570	0.0000H	0	0
12	031808		OFFSHORE TR CTF 144A	5296457 SB	1,850,000.0000	0	0
12	031808		ETOPS IND	196267AD00	0.0000H	0	0
12	031808		CONV SUB NOTE	5307531 SB	3,262,000.0000	0	0
12	031808		DUE 12/01/2004	629377AG70	0.0000	0	0
12	031808		MMMS-AIR GROUP	5310622 SB	23,850,000.0000	0	0
12	031808		DUE 11/04/2004	2695249C00	0.0000H	0	0
12	031808		COLOR TILE INC SR NT	5310626 SB	15,218,000.0000	0	0
12	031808		DUE 12/15/2001	55376WAD10	0.0000	0	0
12	031808		MMG ENERGY INC	5322253 SB	4,036,450.0000	0	0
12	031808		DUE 09/15/2010	29367YAA10	0.0000H	0	0
12	031808		EAGLE GEOPHYSICAL INC	5324524 SB	9,213,000.0000	AMORTIZED AMOUNT 6632,828.40	0
12	031808		SR NT SER B - ESCROWED-	74972EAA80	0.0000	0	0
12	031808		DUE 07/15/2008	5325546 SB	18,635,000.0000	0	0
12	031808		MTS INC				
12	031808		SR SUB NOTE				
12	031808		DUE 03/19/2009				
12	031808		ENRON CORP				
12	031808		PRIVATE PLACEMENT				
12	031808		DUE 06/15/2005				
12	031808		RSL COMMUNICATIONS PLC				
12	031808		GRD US\$ SR NT				
12	031808		DUE 03/01/2010				

BMR56 CLIENT 012			MARGIN ACTIVITY STATEMENTS			09/19/08		PAGE 93774	
732-40125 RR: H81 STONEHILL			CURR-CODE: 000						
TC LDA LONG/SHORT(-)			SECURITY DESCRIPTION			PRICE		MARKET VALUE	
12 092507 7,000,000.0000			WARRSL COMMUNICATIONS PLC			0.00000H		0	
			DUE 03/01/2010 12.875%			SB 7,000,000.0000		0	
12 031808 17,000,000.0000			GT GROUP TELECOM INC			0.00000H		0	
			DUE 02/01/2010 13.250%			SB 17,000,000.0000		0	
12 092507 31,627,000.0000			WMSAIRGROUP FINANCE			0.00000H		0	
			DUE 10/06/2010 6.625%			SB 31,627,000.0000		AMORTIZED AMOUNT 29250,975.00	
12 092507 1,250,000.0000			WMPASHINCO FINANCE LTD			0.00000H		0	
			DUE 02/01/2010 13.250%			SB 1,250,000.0000		0	
12 080508 15,105,000.0000			WCI CMNTYS INC			0.00000H		5,242,000	
			DUE 03/15/2015 6.625%			SB 13,105,000.0000		0	
12 072208 4,975,000.0000			BRODER BROS CO			0.00000H		3,358,125	
			DUE 10/15/2010 11.250%			SB 4,975,000.0000		0	
12 092507 1,320,000.0000			WMMULIAKERARHIK FINANCE LTD			0.00000H		0	
			DUE 10/31/2007 10.750%			SB 1,320,000.0000		AMORTIZED AMOUNT 1294,075.46	
12 092507 3,600,000.0000			WMMEXODUS COMMUNICATIONS			0.00000H		0	
			DUE 12/15/2009 10.750%			SB 3,600,000.0000		AMORTIZED AMOUNT 3047,581.00	
12 031808 13,650,000.0000			WMMEXODUS COMMUNICATIONS			0.00000H		0	
			DUE 07/15/2008 11.375%			SB 13,650,000.0000		0	
12 010708 8,503,000.0000			WMMTXU EUROPE FUNDING LTD			0.00000H		0	
			DUE 11/30/2005 7.000%			SB 8,503,000.0000		0	
12 031808 164,013,000.0000			WMMEXODUS COMMUNICATIONS INC			0.00000H		0	
			DUE 07/15/2010 11.625%			SB 164,013,000.0000		AMORTIZED AMOUNT 123370,175.12	
12 092507 6,045,389.0000			WMMULTIALERARHIK FINANCE LTD			0.00000H		0	
			DUE 10/31/2007 7.187%			SB 6,045,389.0000		0	
12 073008 4,950,000.0000			GENERAL MOTORS ACCEPTANCE CORP			62.78500		3,107,857	
			DUE 03/02/2011 7.250%			SB 4,950,000.0000		1,398,535	
12 031808 2,925,000.0000			WMMEXODUS COMMUNICATIONS			0.00000H		0	
			DUE 11/15/2020 6.750%			SB 2,925,000.0000		0	

BMR56 CLIENT 012			MARGIN ACTIVITY STATEMENTS			09/19/08		PAGE 93775	
32-40125 RR: H01 STONEHILL			CURR-CODE: 000			PRICE		MARKET VALUE	
C LDA LONG/SHORT(-)			SECURITY DESCRIPTION			CUSIP/SEC		MARGIN REQUIREMENT	
2 031808 3,300,000.0000			ESCROW GUANGDONG INTL TR & INV			4006519890		0	
			144A			5359457 SB		3,300,000.0000	
2	031808	42,129,000.0000	DUE 10/24/2016 8.750%			045180AB70		0	
			MMASIA GLOBAL CROSSING LTD			5362572 SB		42,129,000.0000	
2	031808	63,600,000.0000	DUE 10/15/2010 13.375%			629377AL60		0	
			NRG ENERGY INC			5368394 SB		63,600,000.0000	
2	031808	23,850,000.0000	DUE 04/01/2031 8.625%			629377AK80		0	
			NRG ENERGY INC			5368395 SB		23,850,000.0000	
12	121007	1,185,000.0000	DUE 04/01/2011 7.750%			339130AP10		0	
			FLEMING COS INC			5370856 SB		1,185,000.0000	
12	032708	1,650,000.0000	DUE 04/01/2008 10.125%			125501AV00		91.57100	
			CIT GROUP INC NEW			5381485 SB		1,510,921	
12	111607	26,310,000.0000	DUE 01/30/2009 2.946%			G7111WAA10		0	
			MMPIV INVESTMENT FINANCE CV			5395354 SB		26,310,000.0000	
12	092507	1,740,000.0000	DUE 12/01/2000 4.500%			Q36895AB80		0	
			SVC LTD EURO MEDIUM TERM NOTE			5404497 SB		1,740,000.0000	
12	070208	2,625,000.0000	DUE 05/14/2003 5.987%			59832WAE90		964,914	
			MIDWEST GENERATION LLC			5406672 SB		2,625,000.0000	
12	031808	742,000.0000	DUE 07/02/2009 8.300%			2338609B30		0	
			DAILY MART CONVENIENCE STORES			5430398 SB		742,000.0000	
12	092507	10,000,000.0000	DUE 03/15/2004 10.250%			H83970BD60		0	
			MMSSWISSAIR CORP			5433819 SB		10,000,000.0000	
12	072208	1,000,000.0000	DUE 04/12/2005 6.250%			29357VAD50		0	
			ENRON CREDIT LINKED NOTES TR			5442794 SB		1,000,000.0000	
12	070908	213,000,000.0000	DUE 05/24/2006 7.250%			U29302AJ20		0	
			STERLING6 CREDIT LINKED NOTE			5445610 SB		213,000,000.0000	
12	071008	300,000,000.0000	DUE 06/18/2004 0.970%			U29302AG80		0	
			MMENRON CORP			5446359 SB		300,000,000.0000	

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BMR56 CLIENT 012				MARGIN ACTIVITY STATEMENTS				09/19/08		PAGE 93777	
'32-40125 RR: H81 STONEHILL				CURR-CODE: 000							
C LDA LONG/SHORT(-)				SECURITY DESCRIPTION				CUSIP/SEC		PRICE	
2 100407 315,000.0000				AMERICAN RICE INC				029318AA00		0.00000H	
				MTG NOTES W/CONTINGENT INT				5552686 SB		315,000.0000	
2 111607 4,876,944.0000				SOURCE MEDIA INC				836153AC00		0.00000	
				SR SECND NTS				5563864 SB		4,876,944.0000	
2 031808 14,800,000.0000				DUE 11/01/2004 12.000%							
				CALPINE GENERATING CO				13135BAE60		0.00000H	
2 031808 3,640,000.0000				DUE 04/01/2009				5574272 SB		14,800,000.0000	
				JET EQUIPMENT TR MEZZANINE				477122AU70		0.00000	
				NOTE CL B 95-B				5574462 SB		3,640,000.0000	
2 031808 8,600,000.0000				DUE 02/15/2015 7.830%						AMORTIZED AMOUNT	
				ESCROW CONTINENTAL AIRLINES				2107959L60		0.00000H	
				INC				5578456 SB		8,600,000.0000	
2 031808 33,789,621.0000				DUE 11/15/2001 10.000%							
				AIRPLANES PASS THROUGH TRUST				009451AH80		0.00000H	
				ASTBK/SERIES 1996-A D-FIXED RT				5579099 SB		33,789,621.0000	
2 092607 1,839,000.0000				DUE 03/15/2019 10.875%						AMORTIZED AMOUNT	
				SOUTHEAST BANKING CORP CV S/D				841338AA40		0.00000	
				-REG				5596000 SB		1,839,000.0000	
2 102407 1,312,000.0000				DUE 10/15/1997 4.750%							
				SOUTHEAST BANKING CORP-FRN				841338AF30		0.00000H	
				CPN				5596001 SB		1,312,000.0000	
2 031808 992,000.0000				DUE 11/12/1997 5.250%							
				SOUTHEAST BANKING CORP				841338AG10		0.00000H	
				CONV SUB CAPITAL NOTE				5596002 SB		992,000.0000	
2 040708 3,300,000.0000				DUE 03/15/1999 6.500%							
				CIT GROUP INC				125577AV80		99.33600	
				DUE 12/19/2008 3.212%				5634664 SB		3,300,000.0000	
2 041008 550,000.0000				DUE 07/01/2010 4.650%				125568AB10		78.61900	
				NORTHERNSTAR NAT GAS INC				5666251 SB		550,000.0000	
				SR NTS 144A							
2 081208 11,694,343.0000				DUE 05/15/2013 5.000%				666107AA50		92.00000H	
				WASHINGTON MUT PFD FDG TR I				5713396 SB		11,694,343.0000	
2 091608 5,980,000.0000				PERPETUAL 144A							
				DUE 03/07/2049 6.534%				93934WAA30		12.05300H	
				MNCIT GROUP FDG CO CDA				5726350 SB		5,980,000.0000	
2 041008 4,815,000.0000				DUE 11/02/2011 5.600%							
				SR NT				125568AE50		66.22330H	
								5778017 SB		4,815,000.0000	
										3,188,651	
										1,434,893	



MR56	CLIENT 012	OFFSHORE	MARGIN ACTIVITY STATEMENTS	09/19/08	PAGE 93778
12-40125	RR: H81 STONEHILL	COUNTRYWIDE ASSET-BCK CERTIF	CUSIP/SEC	PRICE	MARKET VALUE
12-40125	LDA	COUNTRYWIDE ASSET-BCK CERTIF	12668VAF60	48.30830H	1,111,090
12-40125	2,300,000.0000	SERIES 2006-S7 CLASS A6	5801730 SB	2,300,000.0000	1,111,090
12-40125	4,600,000.0000	DUE 11/25/2035 5.693%	12668VAA70	85.41443H	1,546,558
12-40125	500,000.0000	CMHEQ HOME EQUITY LOAN TRUST	5850819 SB	4,600,000.0000	1810,652.13
12-40125	500,000.0000	MTGPC/SERIES 2006-S7 A-1-VAR	033365SQ40	111.25937H	250,333
12-40125	500,000.0000	DUE 11/25/2035 2.561%	5856171 SB	500,000.0000	11,275,200
12-40125	12,528,000.0000	EURO MEDIUM TERM NOTE	904677AG60	90.00000H	11,275,200
12-40125	5,750,000.0000	DUE 01/16/2012 7.125%	5856846 SB	12,528,000.0000	3,421,573
12-40125	5,750,000.0000	UNIFI INC SR SC NT 11.5714	126683AB70	59.50563H	3,421,573
12-40125	6,647,920.0000	DUE 05/15/2014 11.500%	5905694 SB	5,750,000.0000	3,175,285
12-40125	6,647,920.0000	CMHEQ HOME EQUITY LN TR	12668YAC90	47.92761H	6625,170.75
12-40125	6,647,920.0000	SER 2006-S5 CLASS A2	5943647 SB	6,647,920.0000	3,175,285
12-40125	6,647,920.0000	DUE 06/25/2035 5.681%	5943647 SB	6,647,920.0000	6625,170.75
12-40125	63,800,000.0000	COUNTRYWIDE ASSET-BACKED CTFS	F07959AG80	0.00000H	0
12-40125	63,800,000.0000	SERIES 2006-S8 CLASS A3	5956314 SB	63,800,000.0000	0
12-40125	63,800,000.0000	DUE 04/25/2036 5.555%	5956314 SB	63,800,000.0000	0
12-40125	4,733,000.0000	MMBANQUE PALLAS	XX59571710	0.00000H	0
12-40125	4,733,000.0000	IN DEFAULT	5957171 SB	4,733,000.0000	0
12-40125	4,733,000.0000	DUE 02/08/1996 10.125%	XX59572020	0.00000H	0
12-40125	4,733,000.0000	GREAT 98-A SERIES A-2 FRN-	5957202 SB	4,798,000.0000	0
12-40125	4,798,000.0000	DUE 12/31/2026	12668VAB90	90.53437H	2,082,290
12-40125	4,798,000.0000	SECURITIZED MULTIPLE ASSET	5961848 SB	2,300,000.0000	2,082,290
12-40125	4,798,000.0000	A2 97-5	852591AA40	70.50000H	1,744,875
12-40125	2,300,000.0000	DUE 06/29/2005	5975781 SB	2,475,000.0000	785,193
12-40125	2,300,000.0000	CMHEQ HOME EQUITY LOAN TRUST	G5698WAD00	0.00000H	0
12-40125	2,300,000.0000	SERIES 2006-S10 CLASS A-2	5968867 SB	1,434,989.0000	0
12-40125	2,300,000.0000	DUE 10/25/2036 2.691%	XX9N437650	0.00000H	0
12-40125	2,475,000.0000	STALLION OILFIELD SVCS LTD /	9N43765 SK	299,177.0000	0
12-40125	2,475,000.0000	CORP SR NT 144A	XX91118260	0.00000H	0
12-40125	1,434,989.0000	DUE 02/01/2015 9.750%	9111826 SK	175,438.6000	0
12-40125	1,434,989.0000	MMHLUXFER HOLDINGS PLC	XX99993400	0.00000H	0
12-40125	299,177.0000	DUE 02/06/2012 11.330%	9999340	0.00000H	0
12-40125	299,177.0000	ME ZUCKERMAN INVESTMENTS			
12-40125	175,438.6000	CHANGING WORLD TECHNOLOGIES			
12-40125	175,438.6000	INC RESTRICTED			
12-40125	30,110.0000	TOA TO A/C #			
12-40125	30,110.0000	(MM)			

BMR56 CLIENT 012			MARGIN ACTIVITY STATEMENTS			09/19/08		PAGE 93779	
'32-40125 RR: H81 STONEHILL OFFSHORE			CURR-CODE: 000						
C LDA LONG/SHORT(-)			SECURITY DESCRIPTION			CUSIP/SEC		PRICE	
37,214.0000	062408		ACACIA RESEARCH - ACACIA TECHNOLOGIES		0036813070		4.38000	162,997	
158,854.0000	070208		ADVANTA CORP-CL A		A013707 SB		37,214.0000		
951,658.0000	091708		ADVANTA CORP-CL B NON-VTG		0079421050		6.74000	1,070,675	476,562
0.0000	092507		BURLINGTON INDUSTRIES INC NEW		A080425 SB		158,854.0000		
0.0000	091108		CIT GROUP INC NEW		0079422040		9.52000H	9,059,784	2,717,935
301,044.0000	092208		CONTINENTAL AIRLINES INC-CL B		A189735 SB		951,658.0000		
591,496.0000	091908		DELTA AIR LINES INC DEL COM NEW		1216931050		0.00000H	0	76,750
51,850.0000	040908		EXX INC-CL A		8550969		11.16000		183,850
174,960.0000	070708		ICO GLOBAL COMMUNICATIONS		C011859		18.40000	5,539,209	1,661,762
0.0000	082108		HLDGS LTD DEL CL A		C562466 SB		301,044.0000	F	9,335.0000
0.0000	063008		MBIA INC		2473617020		9.67000H	5,719,766	1,715,929
0.0000	092208		NORTHWESTERN CORPORATION		D010768 SB		280,248.0000		
416,436.0000	092208		NORTHWEST AIRLS CORP		2692821090		2.60000	134,810	134,810
0.0000	081908		WMMNORBORD INC		E029150 SB		51,850.0000		
1,147.0000	040908		PORTLAND GENERAL ELECTRIC CO NEW		44930K1080		2.25000H	393,660	393,660
0.0000	081208		RAIT FINANCIAL TRUST		H010818 SB		174,960.0000		920,000
608,890.0000	092208		US AIRWAYS GROUP INC		55262C1000		12.88000	0	
0.0000	090208		WELLS FARGO & CO		M000545		26.22000H	0	659,210
0.0000	091508		WACHOVIA CORPORATION		M007436		11.53000	4,801,507	1,440,452
					6672804080		416,436.0000	F	48,306.0000
					N009281 SB		4.18115H	0	67,893
					65548P1060		25.00000H	28,675	8,602
					N101684		1,147.0000	0	273,000
					7365888470		7.35000		
					P019060 SB		7.91000	4,816,319	1,444,895
					7492271040		608,890.0000	F	106,720.0000
					R003584		39.80000	0	1,152,210
					90341W1080		18.75000	0	388,125
					U003620 SB				
					9497461010				
					W001549				
					9299031020				
					W002990				

BHR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93780	
32-40125 RR: H01 STONEHILL OFFSHORE		CURR-CODE: 000		PRICE		MARGIN REQUIREMENT	
C L0A LONG/SHORT(-) SECURITY DESCRIPTION		CUSIP/SEC		MARKET VALUE		0	
0 091108 0.0000 WASHINGTON MUTUAL INC		9393221030		4.25000		1,852,473	
		W028516					
20 060208	225,562.0000	MMZARLINK SEMICONDUCTOR INC		0.49000	110,525	110,525	
		UAL CORP		SB			
20 061708	2,300,000.0000	ORD SETTLEMENT BD		225,562.0000	1,285,125	365,537	
		DUE 02/01/2021 5.000%		SB		2,300,000.0000	
20 082208	0.0000	UNITED STATES TREASURY BOND		100.03100	0	2,300,713	
		DUE 02/15/2038 4.375%		7001110			
20 072508	0.0000	UNITED STATES TREASURY NOTE		100.93000	0	464,278	
		DUE 05/15/2018 3.875%		7001113			
20 081508	0.0000	UNITED STATES TREASURY NOTE		104.75049H	0	1,571,257	
		DUE 02/15/2014 4.000%		7004940			
53 092507	30,700.0000	BURLINGTON INDUSTRIES INC NEW		0.00000H	0	0	MM
		CIT GROUP INC NEW		11.16000		410,353-	
53 091108	36,770.0000	MBIA INC		12.88000	2,369,920-	0	
		NORTHWESTERN CORPORATION		26.22000H		2,197,367-	
53 082108	184,000.0000	NEW		4.18115H		67,893-	
		RAIT FINANCIAL TRUST		7.35000		401,310-	
53 063008	83,805.0000	WELLS FARGO & CO		39.80000		3,840,700-	
		WACHOVIA CORPORATION		18.75000		1,293,750-	
53 081208	54,600.0000	WASHINGTON MUTUAL INC		4.25000		1,852,473-	
		UNITED STATES TREASURY BOND		100.03100		23,007,130-	
53 090208	96,500.0000	UNITED STATES TREASURY NOTE		100.93000		4,642,780-	
		UNITED STATES TREASURY NOTE		104.75049H		15,712,574-	
53 091508	69,000.0000	OLD SMA		9.068,744-		31,807	
		LIQ EQT		78,671,598		0	
53 091108	435,876.0000	BUYING P		231,082,720		0	
		TOTALS					
TOT MV	243,985,832	OLD SMA		9,068,744-		31,807	
EQUITY	299,915,558	LIQ EQT		78,671,598		0	
CSH AV	9,068,744	BUYING P		231,082,720		0	









Symbol	Ccy	Qty	Price	MV Cdn	FX	MV (\$)
CIT	USD	(36,770)	11.16	(410,353.20)	1	(410,353.20)
MBI	USD	(184,000)	12.88	(2,369,920.00)	1	(2,369,920.00)
NEW	USD	(83,805)	26.22	(2,197,367.10)	1	(2,197,367.10)
NBDFF	USD	(16,238)	4.18115	(67,893.51)	1	(67,893.51)
RAS	USD	(54,600)	7.35	(401,310.00)	1	(401,310.00)
WFC	USD	(96,500)	39.8	(3,840,700.00)	1	(3,840,700.00)
WB	USD	(69,000)	18.75	(1,293,750.00)	1	(1,293,750.00)
WM	USD	(435,876)	4.25	(1,852,473.00)	1	(1,852,473.00)
912810PW2	USD	(23,000,000)	100.031	(23,007,130.00)	1	(23,007,130.00)
912828HZ6	USD	(4,600,000)	100.93	(4,642,780.00)	1	(4,642,780.00)
912828CA6	USD	(15,000,000)	104.75049	(15,712,573.50)	1	(15,712,573.50)
Type 5	USD	56,231,081.00	1	56,231,081.00	1	56,231,081.00
Net USD						434,830.69
Valeo	EUR	(22,250)	32.37989	(720,452.55)	1.43870132	(1,036,516.04)
Atos	EUR	(49,200)	25.17263	(1,238,493.40)	1.43870132	(1,781,822.08)
Type 5	EUR	1,845,266.49	1	1,845,266.49	1.43870132	2,654,787.33
Net EUR						(163,550.79)
CM	CAD	(8,880)	62.50493	(555,043.78)	0.95352472	(529,247.96)
NBDFF	CAD	(519,735)	4.38494	(2,279,006.79)	0.95352472	(2,173,089.31)
Type 5	CAD	2,819,674.27	1	2,819,674.27	0.95352472	2,688,629.12
Net CAD						(13,708.15)
Total USD Due Stonehill						257,571.75



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EXHIBIT D FOR STONEHILL OFFSHORE PARTNERS

Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	69337YAE4	USD	291,847.10	PAYDOWN	9/30/2008	PHH MORTGAGE TRUST SER 2007-SLI CLASS TAGS 144A 6.60000% 12/23/2027 69337YAE4
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	69337YAE4	USD	76,394.21	INTEREST	9/30/2008	PHH MORTGAGE TRUST SER 2007-SLI CLASS TAGS 144A 6.60000% 12/23/2027 69337YAE4
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	76110VTD0	USD	12,924.41	INTEREST	9/30/2008	RESIDENTIAL FID MTO SECS II IN SERIES 2006-HSA1 CLASS A-2 5.19000% 02/23/2036 76110VTD0
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	55265AANI	USD	107,739.58	INTEREST	10/27/2008	MAC CAPITAL LTD SER 2007-1 CL B-2L 144A/3C7 RMD 7.043 07/26/2023
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	DAL	USD	6.63	CASH IN LIEU	10/27/2008	DELTA AIR LINES INC DEL COM NEW
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	12684AC3	USD	19,194.77	INTEREST	9/30/2008	COUNTRYWIDE ASSET BK CERT SERIES 2006-2N CLASS A3 5.65800% 03/23/2034 12684AC3
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	X5028200820	GBP	125,142.40	INTEREST	10/31/2008	LUXPER HOLDINGS PLC II 83.100% 02/06/2012 G3688WADO
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	29357YAD5	GBP	32,386.31	INTEREST	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	U12605AD0	EUR	1,621.10	DISTRIBUTION	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	U29302AH6	EUR	15,913.70	INTEREST	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	U29302AH6	USD	10,394.14	REDEMPTION	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	X5010032771	USD	43,574.94	PAYDOWN	10/28/2008	ENRON CORP 0.77000% 12/31/2049 U29302AH6
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	69363YAD9	USD	3,540.90	PAYDOWN	10/28/2008	PSINET INC EURO SERIES 10.50000% 12/01/2006
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	CA37047ZBM01	CAD	164,576.11	INTEREST	11/21/2008	PSINET INC SER EUR SR NOTES -IN DEFAULT- 11.00000% 08/01/2009 69363YAD9
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	76113BAF6	USD	490,649.38	INTEREST	11/21/2008	GENERAL MOTORS ACCEPTANCE CORP OF CANADA LTD 4.72143% 05/22/2009 37047ZBM01
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	76113BAF6	USD	952,118.64	TENDER PAYMENT	12/29/2008	RESIDENTIAL CAP CORP NT 6.375% 10.8.375% 06/30/2010 76113BAF6
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	8431AJM0	USD	731,256.48	DISTRIBUTION	12/29/2008	VICTORIA STANFIELD FIN LTD MEDIUM TERM NOTE 4.835% 03/28/2008 8431AJM0
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	U12605AB4	GBP	27,087.50	INTEREST	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	X5020220264	GBP	240,625.00	MATURITY	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	U12605AB4	GBP	985,000.00	MATURITY	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	X5020220264	GBP	3,850,000.00	MATURITY	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	X5029427396	USD	178,006.98	DISTRIBUTION	12/22/2008	VICTORIA STANFIELD FIN LTD MEDIUM TERM NOTE 4.835% 03/28/2008 8431AJM0
Stonehill Offshore Partners	732-40125	January-09	5BCLLC0	8431AJM0	USD	39,814.50	DISTRIBUTION	1/6/2009	VICTORIA STANFIELD FIN LTD MEDIUM TERM NOTE 4.835% 03/28/2008 8431AJM0
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	4065L9A1	USD	113,174.45	DISTRIBUTION	10/22/2008	ESCROW GUANGDONG INTL TR & INVT 144A-IN DEFAULT 6.75% 11/15/2020 4065L9A1
Running Total	6,173,078.91								
USD	5,262,140.69								
GBP	122,442.03								
EUR	164,576.11								
CAD									

**SO EXHIBIT E**

**STONEHILL OFFSHORE PARTNERS LTD**

**WIRES ON PRIVATE INSTRUMENTS THAT WERE MISDIRECTED TO LBI**

ACCOUNT	CURRENCY	AMOUNT	DATE	DESCRIPTION
732-40125	EUR	262.34	9/10/2008	Unipoly wire from Deutsche Bank
732-40125	GBP	25,011.80	9/10/2008	Unipoly wire from Deutsche Bank
732-40125	USD	34,283.33	11/28/2008	Murray Energy wire from Goldman Sachs
732-40125	USD	378,776.44	11/28/2008	Murray Energy wire from Goldman Sachs
732-40125	USD	14,188.01	12/31/2008	Entegra 2nd Lien wire from Lehman CP

			CURRENT EXCH RATE	
TOTAL	EUR	262.34	1.35	353.37
TOTAL	GBP	25,011.80	1.52	37,917.89
TOTAL	USD	427,247.78	1.00	427,247.78
TOTAL	AS CONVERTED			465,519.04 a)

a) Note: Currencies are converted to USD only for the purpose of tallying a rough dollar amount due. Stonehill is not aware of the LBI estate's policies regarding converting foreign wires, the date used for conversion, or whether foreign wires will be delivered in original currency.

SO Exhibit F page 1 of 2

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93829	
732-41222 RR: H01 STONEHILL OFFSHORE P		CURR-CODE: 000					
TC 12		OPEN T/D BAL		CLOSE S/D BAL		MARKET VALUE	
		00.00		00.00		5,500,000	
		DLA				09/18/08	
NO ACTIVITY FOR THIS ACCOUNT							
TC 12		LONG/SHORT(-)		PRICE		MARGIN REQUIREMENT	
LDA 5,500,000.0000		SECURITY DESCRIPTION		1.000000H		5,500,000	
		HENLEMAN BROTHERS US DOLLAR					
		LIQUIDITY FUND INSTL DIST CL					
		A000351					
TQT MW		SMA		0		SMA CHANGE	
EQUITY		5,500,000		0		NEW HSE CALL	
CSH AV		0		0		NYSE OPT REQ	
		BUYING P					
		OLD SMA					
		LIQ EQT					
		5,500,000					
		EQY %					
		0					
		HOUSE EXCESS					
		OTHER EXCESS					
		0					
		TOTALS					
		5,500,000					
		0					
		0					

LEHMAN BROTHERS

For the period 08/30/2008 to 09/30/2008

STONEHILL OFFSHORE  
PARTNERSHIP LTD  
C/O CITICO FUND SERVICES

SO Exhibit F page 2 of 2

Base Currency : USD  
Account Number : 732-40125 H81

# Monthly Activity (1)

MOVEMENTS OF FUNDS (Continued)	Settlement Date	Transaction	Description	Amount
	09/15/2008	PAID BY WIRE	WIRE PAYMENT TD 09/12/08 SD	( 168,000,000.00 )
	09/16/2008		INWIRE RF#0311699 0008 INES(02) NORTHWEST AIRL INES 6 CITIUS33	204,909.09
	09/16/2008	PAID BY WIRE	WIRE PAYMENT TD 09/16/08 SD	( 5,000,000.00 )
	09/16/2008		TFR TO ACCT 732-41222-2	( 2,018,932.38 )
	09/17/2008		TFR TO ACCT 732-41222-1	( 5,500,000.00 )
	09/17/2008		REF # 9N44323	918,994.61
	09/18/2008		INWIRE RF#0352200 0008 INES(02) NORTHWEST AIRL INES 6 CITIUS33	26,290.98
	09/18/2008		TFR FROM ACCT 732-41222-1	3,585,571.55
	09/19/2008		INWIRE RF#091986B7HUZR008975 026009593 PART NERS LTD FFC A C 732 401 WCI COMMUNITIES, INC	31,807.57
TOTAL NET MOVEMENTS OF FUNDS / USD				( 172,269,540.62 )
GBP				
	09/08/2008		FRM STK TO CMDY	( 103,624.20 )
	09/18/2008		TFR FROM ACCT 732-41222-1	25,038.00
TOTAL NET MOVEMENTS OF FUNDS / GBP				( 78,586.20 )
EUR				

SO Exhibit G  
page 1 of 1

LEHMAN BROTHERS

For the period 08/01/2008 to 08/29/2008

STONEHILL OFFSHORE  
PARTNERSHIP LTD  
C/O CITICO FUND SERVICES

Base Currency : USD  
Account Number : 732-40125 H81

### Monthly Activity (1)

PURCHASES & SALES (Continued)					Description	Price	Amount
Settlement Date	Transaction	Quantity					
08/12/2008	BOUGHT	14,950			ACACIA RESEARCH - ACACIA TECHNOLOGIES UNSOLICITED TMS087070870176160TMS PLUS 448.50 COMM CHARGED BY LEHM	4.1589	( 62,824.06 )
08/12/2008	SOLD	240,534			***BARRATT DEVELOPMENTS PLC AVERAGE PRICE UNSOLICITED TMS-REF200808110136535 TMS0871170870136535TMS 288,029.93 GBP TOTAL AS OF 08/07/08	2.3308	560,074.19
08/12/2008	BOUGHT	2,000,000			***MAC FUNDING I LTD PRIN PROTECTED SECS ACCREDITED INVS UNSOLICITED TMS0871170870044492TMS PLUS 0.00 COMM CHARGED BY CHSE	.3275	( 655,000.00 ) *
08/12/2008	SOLD	6,300			PGT INC UNSOLICITED TMS087070870182504TMS LESS 252.00 COMM 0.19 FEE CHARGED BY MOUN	5.1960	32,482.61
08/12/2008	SOLD	27,500			ROSETTA RESOURCES INC UNSOLICITED TMS087070870182500TMS LESS 825.00 COMM 3.50 FEE CHARGED BY GSCO	22.7217	624,018.25
08/12/2008	BOUGHT	8,395			***ZARLINK SEMICONDUCTOR INC UNSOLICITED	.7158	( 6,260.99 )

# LEHMAN BROTHERS INC

TRADE CONFIRMATION

To: Stonehill Institutional Partners, L.P.  
Contact: Steve Nelson  
Tel No.: 212-739-7470  
Fax No.: 212-838-2291  
Email: [snelson@stonehillcap.com](mailto:snelson@stonehillcap.com)

From: Lehman Brothers Inc.  
Contact: Denise Rossell  
Tel No.: 212-526-1490  
Fax No.: 646-758-4993  
Email: [drossell@lehman.com](mailto:drossell@lehman.com)

Trade Confirmations: Jessica Markowitz  
Tel. No.: 212-526-1490  
Fax No.: 646-758-4993  
Email: [Jessica.markowitz@lehman.com](mailto:Jessica.markowitz@lehman.com)

We are pleased to confirm the following transaction (the "Transaction"):

Trade Date: March 27, 2008  
Seller: Stonehill Institutional Partners, L.P., as Principal  
Buyer: Lehman Brothers Inc., as Principal  
Issuer: US Power Generating Company  
Quantity: 6,400 Class A Shares issued under Certificate of Incorporation (as amended or amended and restated from time to time, the Certificate of Incorporation) of US Power Generating Company, a Delaware corporation  
Purchase Price: \$28.00 per Unit

Other terms:

1. Buyer and Seller agree that the Transaction shall be subject to the transfer requirements set forth in the Certificate of Incorporation; it being understood and agreed that Buyer shall cooperate in all reasonable respects with Seller to cause the Transaction to satisfy such requirements;
2. Buyer and Seller agree to execute and deliver any necessary documentation required pursuant the Certificate of Incorporation (the "Certificate") or by counsel to the Issuer (including, without limitation, in the case of Buyer, a Rule 144A Certificate, Regulatory Certificate and if applicable, a Confidentiality Agreement and, in the case of both parties, a NASD Transfer Form and Letter Agreement with respect to Section 1(b)(7) of Article Five of the Certificate), in order to effect the Transaction.
3. All dividends, payments or any other distributions made on or after the Trade Date are for the Buyer's account.

Please provide the signature of a duly authorized signatory where indicated below and return this letter to the attention of *Jessica Markowitz* at the following e-mail address: [Jessica.markowitz@lehman.com](mailto:Jessica.markowitz@lehman.com).

If you have any questions, please contact *Jessica Markowitz* at 212-526-7598.

2

LEHMAN BROTHERS INC.

Stonehill Institutional Partners, L.P.

By: 

By: 

Name: MARTHA G. MARTINEZ  
Title: AUTHORIZED SIGNATORY

Name: Steven D. Nelson

Title: CEO

Date: \_\_\_\_\_

Date: 4/3/08



# LEHMAN BROTHERS INC

TRADE CONFIRMATION

To: Stonehill Offshore Partners Limited  
Contact: Steve Nelson  
Tel No.: 212-739-7470  
Fax No.: 212-838-2291  
Email: [snelson@stonehillcap.com](mailto:snelson@stonehillcap.com)

From: Lehman Brothers Inc.  
Contact: Denise Rosselli  
Tel No.: 212-526-1490  
Fax No.: 646-758-4993  
Email: [drossell@lehman.com](mailto:drossell@lehman.com)

Trade Confirmations: Jessica Markowitz  
Tel. No.: 212-526-1490  
Fax No.: 646-758-4993  
Email: [Jessica.markowitz@lehman.com](mailto:Jessica.markowitz@lehman.com)

We are pleased to confirm the following transaction (the "Transaction"):

Trade Date: March 27, 2008

Seller: Stonehill Offshore Partners Limited, as Principal

Buyer: Lehman Brothers Inc., as Principal

Issuer: US Power Generating Company

Quantity: 8,730 Class A Shares issued under Certificate of Incorporation (as amended or amended and restated from time to time, the Certificate of Incorporation) of US Power Generating Company, a Delaware corporation

Purchase Price: \$28.00 per Unit

Other terms:

1. Buyer and Seller agree that the Transaction shall be subject to the transfer requirements set forth in the Certificate of Incorporation; it being understood and agreed that Buyer shall cooperate in all reasonable respects with Seller to cause the Transaction to satisfy such requirements;
2. Buyer and Seller agree to execute and deliver any necessary documentation required pursuant the Certificate of Incorporation (the "Certificate") or by counsel to the Issuer (including, without limitation, in the case of Buyer, a Rule 144A Certificate, Regulatory Certificate and if applicable, a Confidentiality Agreement and, in the case of both parties, a NASD Transfer Form and Letter Agreement with respect to Section 1(b)(1) of Article Five of the Certificate), in order to effect the Transaction.
3. All dividends, payments or any other distributions made on or after the Trade Date are for the Buyer's account.

Please provide the signature of a duly authorized signatory where indicated below and return this letter to the attention of *Jessica Markowitz* at the following e-mail address: [Jessica.markowitz@lehman.com](mailto:Jessica.markowitz@lehman.com).

If you have any questions, please contact *Jessica Markowitz* at 212-526-7598.

2

LEHMAN BROTHERS INC.

Stonehill Offshore Partners Limited

By: 

By: 

Name: MARTHA G. MARTINEZ  
Title: AUTHORIZED SIGNATORY

Name: Steven D. Nelson

Title: CEO

Date: \_\_\_\_\_

Date: 4/2/08

SD Exhibit H(b)

7  
Screen Printed

EquityMSG

Page 1 / 2

1/23 8:50:20  
From: JAY COYLE (MERRILL LYNCH/NY,WFC)

Subject: PROJECT ENERGY BANK DEBT -

No Attachments



FIRST DAY AT BANK OF AMERICA

Cell:(917)699-9191

ENERGY PROJECT BANK DEBT

ANP TL A	92 - 94	3x3	LA PALOMA 1ST	71 - 73 $\frac{1}{2}$	3x
ANP TL B	89 - 91	3x3	LA PALOMA 2ND	59 - 63	2x2
BOSTON GEN 1ST	62 $\frac{1}{4}$ - 64 $\frac{1}{4}$	5x3	LIBERTY ELEC 1ST	75 - 80	
BOSTON GEN 2ND	26 $\frac{1}{2}$ - 31 $\frac{1}{2}$	2x2	LIBERTY ELEC MEZZ	50 - 55	
BOSTON GEN MEZZ	7 - 12	2x2	LONGVIEW STRIP	70 - 72	P/B
US POWER EQUITY	6.00 - 7.50	50kx75k	MACHGEN 2ND	60 - 62	3x3
BOSQUE TERM	65 - 70	3x	MACHGEN UNITS	90 - 130	5kx5k
ENTEGRA 2ND LIEN	71 - 72 $\frac{1}{2}$	3x3	TENASKA 1ST	88 - 90	
ENTEGRA 3RD LIEN	33 - 35	3x3	TENASKA 2NDS	62 - 65	2x2
ENTEGRA EQUITY	3.00 - 4.00	75x75	ASTORIA 1ST	84 $\frac{1}{2}$ - 86	
KELSON 1ST	78 - 81	3x2	ASTORIA 2NDS	71 - 74	P/S
KELSON 2ND	47 $\frac{1}{2}$ - 51 $\frac{1}{2}$	5x5			
KELSON MEZZ	27 - 37				

**Unsettled Zarlink Trades**

		↓					
<b>8/15/2008</b>	<b>Total Qty</b>	<b>Off</b>	<b>SI</b>		<b>Total Cost</b>	<b>Off</b>	<b>SI</b>
Original trade	55,000	25,300	29,700		41,402.00	19,045.00	22,357.00
Unsettled	14,000	6,440	7,560		10,539	4,847.82	5,690.87
	25.45%				25.45%		
Corrected	41,000	18,860	22,140		30,863	14,197.18	16,666.13
<b>8/20/2008</b>							
Original trade	60,500	27,830	32,670		46,029	21,173.00	24,856.00
Unsettled	45,500	20,930	24,570		34,617	15,923.50	18,693.36
	75.21%				75.21%		
Corrected	15,000	6,900	8,100		11,412	5,249.50	6,162.64
Pre-adj	7,654,640	5,490,156	2,164,484		5,663,502.66	3,974,221.71	1,689,280.95
Adjustments		(27,370)	(32,130)			(20,771.31)	(24,384.23)
New	7,595,140	5,462,786	2,132,354		5,618,347.12	3,953,450.40	1,664,896.72
		↓					
Cash Adj on unsettled	CAD			Rate	USD		
8/15/2008	11,193.00	5,148.78	6,044.22	0.94154			
8/20/2008	36,818.60	16,936.56	19,882.04	0.94020			
Claim on Exhibit I	48,011.60	22,085.34	25,926.26				
CUSIP # 989139100							

Stonehill Offshore Exhibit J						
FX Forward Adj						
9/19/2008						
FX	Due Date	Offshore Qty	Cost	Price	FMV	Unrealized
CAD	5/26/09	(6,650,000)	(6,443,798.45)	0.9510046	(6,324,180.74)	119,617.71
CAD	5/26/09	(5,520,000)	(5,374,616.62)	0.9510046	(5,249,545.51)	125,071.11
CHF	12/29/08	(19,000,000)	(18,399,264.03)	0.9103138	(17,295,962.04)	1,103,301.99
Euro	12/29/08	(14,000,000)	(21,220,080.00)	1.4439997	(20,215,995.80)	1,004,084.20
Euro	6/24/09	(6,695,500)	(10,287,635.75)	1.4326946	(9,592,606.69)	695,029.06
GBP	9/22/08	(4,100,000)	(8,099,550.00)	1.8357450	(7,526,554.50)	572,995.50
GBP	12/22/08	(9,000,000)	(17,747,100.00)	1.8262393	(16,436,153.70)	1,310,946.30
GBP	3/26/09	(9,000,000)	(17,362,800.00)	1.8152082	(16,336,873.80)	1,025,926.20
GBP	6/24/09	(1,500,000)	(2,888,175.00)	1.8061452	(2,709,217.80)	178,957.20
					(101,687,090.59)	6,135,929.26
					(107,823,019.85)	
					TOTAL	6,135,929.26

LEHMAN BROTHERS INC  
745 7TH AVE  
NY 10019

**FUTURES/FOREIGN EXCHANGE  
CONFIRMATION**

STONEHILL OFFSHORE PART LTD  
C/O CITCO FD SERVICES  
PO BOX 31106 SMB  
GRAND CAYMAN  
CAYMAN ISLANDS

SEP 22, 2008	
IR NUMBER	ACCOUNT
099	23040125
Page 2	

US NON-SEGREGATED ACCOUNT

----- FOREIGN EXCHANGE OPEN POSITIONS -----						
Date	B/S	Base Currency	Maturity	Currency Pair	Counter Amount	Rate
					Total FX Long Option Value	Net Present Value
					Total FX Short Option Value	OCR* USD
					Net FX Option Value	OCR* USD

----- Foreign Exchange Position Delta Summary -----				
Curr	Notional	USD Equivalent	Delta Notional	Delta USD Equiv
EUR	20,695,500.00DB	29,808,602.49DB	20,695,500.00DB	29,808,602.49DB
GBP	19,500,000.00DB	35,482,245.30DB	19,500,000.00DB	35,482,245.30DB
CAD	12,170,000.00DB	11,573,726.25DB	12,170,000.00DB	11,573,726.25DB
CHF	19,000,000.00DB	17,295,962.04DB	19,000,000.00DB	17,295,962.04DB
Sum of the Absolute Values:		94,160,536.08		94,160,536.08

----- MARGIN REQUIREMENT SUMMARY -----			
	Margin Requirement Initial	Equity Excess/Deficit	Margin Call/Excess
GBP	OCR	4,100,000.00DB	4,100,000.00DB
JPY	CR	CR	CR
USD	4,642,874.10DB	8,099,550.00CR	3,456,675.90CR
Total Value in Base Currency			
USD	4,642,874.10DB	572,995.50CR	4,069,878.60DB

----- ACCOUNT VALUE SUMMARY -----						
	Account Balance	Unrealized G/L on Futures	Net Present Value on Forwards	Net Option Value	Collateral Market Value	Net Liquidating Value
GBP	4,100,000.00DB	OCR	OCR	OCR	OCR	4,100,000.00DB
JPY	CR	CR	CR	CR	CR	CR
USD	8,099,550.00CR	OCR	5,489,298.79CR	OCR	OCR	13,588,848.79CR
Total Value in Base Currency						
USD	572,995.50CR	OCR	5,489,298.79CR	OCR	OCR	6,062,294.29CR

***** CURRENCY CONVERSION RATES *****		
Base Currency - USD		
POUND STG	GBP	1.8357450 *
J YEN	JPY	107.0700000 *

LEHMAN BROTHERS INC  
745 7TH AVE  
NY 10019

**FUTURES/FOREIGN EXCHANGE  
CONFIRMATION**

STONEHILL OFFSHORE PART LTD  
C/O CITCO FD SERVICES  
PO BOX 31106 SMB  
GRAND CAYMAN  
CAYMAN ISLANDS

SEP 22, 2008	
IR NUMBER	ACCOUNT
099	23040125
Page 1	

US NON-SEGREGATED ACCOUNT

----- OPENING ACCOUNT BALANCES -----

POUND STG	0CR
J YEN	CR
US DOLLAR	0CR

----- FOREIGN EXCHANGE SETTLEMENTS -----

Date	B/S	Base Currency	Maturity	Currency Pair	Counter Amount	Rate	Net Present Value
------	-----	---------------	----------	---------------	----------------	------	-------------------

The settlement amounts shown below are reflected in the closing cash balance for each currency.

9/19/07 S	4,100,000.00DB	22SEP08	GBP/USD	8,099,550.00CR	TYPE	1.9755000	
-----------	----------------	---------	---------	----------------	------	-----------	--

----- CLOSING ACCOUNT BALANCES -----

POUND STG	4,100,000.00DB*
J YEN	CR*
US DOLLAR	8,099,550.00CR*

----- FOREIGN EXCHANGE OPEN POSITIONS -----

Date	B/S	Base Currency	Maturity	Currency Pair	Counter Amount	Rate	Net Present Value
------	-----	---------------	----------	---------------	----------------	------	-------------------

3/24/08 S	14,000,000.00DB	29DEC08	EUR/USD	21,220,080.00CR	TYPE	1.5157200	995,341.86CR USD
-----------	-----------------	---------	---------	-----------------	------	-----------	------------------

Net Present Value	995,341.86CR* USD
-------------------	-------------------

Undiscounted MTM	1.4439997 1004,084.20CR* USD
------------------	------------------------------

6/21/08 S	6,695,500.00DB	24JUN09	EUR/USD	10,287,635.75CR	TYPE	1.5365000	678,014.44CR USD
-----------	----------------	---------	---------	-----------------	------	-----------	------------------

Net Present Value	678,014.44CR* USD
-------------------	-------------------

Undiscounted MTM	1.4326946 695,029.06CR* USD
------------------	-----------------------------

2/19/07 S	9,000,000.00DB	22DEC08	GBP/USD	17,747,100.00CR	TYPE	1.9719000	1,300,395.52CR USD
-----------	----------------	---------	---------	-----------------	------	-----------	--------------------

Net Present Value	1,300,395.52CR* USD
-------------------	---------------------

Undiscounted MTM	1.8262393 1310,946.30CR* USD
------------------	------------------------------

3/24/08 S	9,000,000.00DB	26MAR09	GBP/USD	17,362,800.00CR	TYPE	1.9292000	1,008,044.36CR USD
-----------	----------------	---------	---------	-----------------	------	-----------	--------------------

Net Present Value	1,008,044.36CR* USD
-------------------	---------------------

Undiscounted MTM	1.8152082 1025,926.20CR* USD
------------------	------------------------------

6/20/08 S	1,500,000.00DB	24JUN09	GBP/USD	2,888,175.00CR	TYPE	1.9254500	174,576.24CR USD
-----------	----------------	---------	---------	----------------	------	-----------	------------------

Net Present Value	174,576.24CR* USD
-------------------	-------------------

Undiscounted MTM	1.8061452 178,957.20CR* USD
------------------	-----------------------------

4/10/08 B	5,374,616.62CR	26MAY09	USD/CAD	5,520,000.00DB	TYPE	1.0270500	122,281.17CR USD
-----------	----------------	---------	---------	----------------	------	-----------	------------------

3/31/08 B	6,443,798.45CR	26MAY09	USD/CAD	6,650,000.00DB	TYPE	1.0320000	116,949.42CR USD
-----------	----------------	---------	---------	----------------	------	-----------	------------------

et	11,818,415.07CR*			12,170,000.00DB*			
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Net Present Value	239,230.59CR* USD
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Undiscounted MTM	1.0515196 257,295.09CR* CAD
------------------	-----------------------------

5/20/08 B	18,399,264.03CR	29DEC08	USD/CHF	19,000,000.00DB	TYPE	1.0326500	1,093,695.78CR USD
-----------	-----------------	---------	---------	-----------------	------	-----------	--------------------

Net Present Value	1,093,695.78CR* USD
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Undiscounted MTM	1.0985223 1212,001.84CR* CHF
------------------	------------------------------

Undiscounted MTM In Base	1103,301.99CR* USD
--------------------------	--------------------

Total FX Forward NPV	5,489,298.79CR* USD
Total FX Undiscounted MTM	5,562,933.77CR* USD

----- CONTINUED ON NEXT PAGE -----

SD Exhibit K (A)

page 1 of 2

## LSTA PAR/NEAR PAR TRADE CONFIRMATION

**To:** *Kelts LLC*  
**Attention:** *William Pool*  
**Phone No.:** *(203)618-2779*  
**Fax No.:** *(203)422-4599*  
**Email:** *harry.pool@rbsgc.com*

**From:** *Stonehill Offshore Partners Limited*  
**Attention:** *Ann Mauro*  
**Phone No.:** *212-739-7474*  
**Fax No.:** *212-838-2291*  
**Email:** *amauro@stonehill.nb.com*

**Date:** *08/13/2008*

We are pleased to confirm the following transaction, subject to the Standard Terms and Conditions for Par/Near Par Trade Confirmations (the "Standard Terms and Conditions") published by The Loan Syndications and Trading Association, Inc.® (the "LSTA") as of December 1, 2006, which Standard Terms and Conditions are incorporated herein by reference without any modification whatsoever except as otherwise agreed herein by the parties and specifically set forth in the "Trade Specific Other Terms of Trade" section below. The parties hereto agree to submit any dispute as to the reasonableness of a buy-in or sell-out price to binding arbitration in accordance with the LSTA "Rules Governing Arbitration Between Loan Traders With Regard to Failed Trades" in existence on the Trade Date, and to comply with any award or decision issued in connection with such an arbitration proceeding. Capitalized terms used and not defined in this Confirmation have the respective meanings ascribed thereto in the Standard Terms and Conditions.

**Trade Date:** 08/01/2008

**Seller:** Stonehill Offshore Partners Limited ☒ Principal ☐ Agent

**Buyer:** Kelts LLC ☒ Principal ☐ Agent

**Credit Agreement:** CREDIT AGREEMENT dated as of December 21, 2006 among EBG HOLDINGS LLC, the Lenders from time to time party thereto, and CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as administrative agent

**Borrower:** EBG HOLDINGS LLC

**Form of Purchase:** Assignment

**Purchase Amount/  
Type of Debt:**

Purchase Amount	Type of Debt	Facility	CUSIP Number
USD 2,000,000.00	Term	Loan	

565561001



Purchase Rate: 89.500% Loan

Up Front Fees: Loan None  
(if any):

Credit Documentation No  
to be provided:

Trade Specific Recordation Fee is split and no more than one full fee.  
Other Terms of Trade:

Please provide the signature of a duly authorized officer or other signatory where indicated below and return this letter to the attention of Chris Bleakley at ClearPar at the following fax number (646)453-2870 or email address: christopher.bleakley@fnis.com

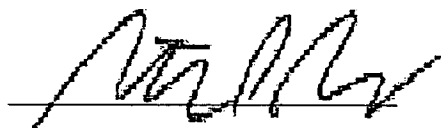
If you have any questions, please contact Chris Bleakley at (845)639-4890.

Stonehill Offshore Partners Limited  
By: Stonehill Advisers LLC

Kelts LLC  
By: The Royal Bank of Scotland plc, as sole member

By: Greenwich Capital Markets, Inc., its agent

By:



Name: Steven Nelson  
Title:

By:



Name: Karen Brewer  
Title:

Date: August 26, 2008

Status: Effective

To: Kelts LLC as Buyer  
Attn: William Pool  
Phone: (203)618-2779  
Fax: (203)422-4599From: Stonehill Offshore Partners Limited as Seller  
Attn: Ann Mauro  
Phone: 212-739-7474  
Fax: 212-838-2291Trade Date: August 1, 2008  
Credit Agreement: BOSTON GENERATING EBG Mezz (12/06)Facility: Loan  
Global Commitment: USD 359,219,921.50  
Sale Amount: USD 2,000,000.00  
Percentage of Total: 0.5567619946%  
Loans outstanding under facility as of August 26, 2008 (Effective Date)

Pricing Option:	Cur	Global Amount of Loan:	Buyer's Share of Loan:	Start Date:	Repricing Date:	Base Rate:	Margin:	RAC Rate:	All In Rate:	Exchange Rate:
LIBOR	USD	359,219,921.50	2,000,000.00	Jun 30, 2008	Sep 30, 2008	2.800630	7.000000	0.000000	9.800630	

Funding Memorandum  
Payment Details

On Aug 26, 2008 Buyer will remit to Seller USD 1,788,283.65 calculated as follows:

1,790,000.00 USD (89.5000% x Buyer's share of outstanding loans under the Loan Facility)  
(Seller will remit full Assignment fee 0.00 USD to the Agent - Not included in remittance amount above)  
(1,716.35 USD) (Other Fee - Cost of Carry on Aug 26, 2008)

## Seller's Payment Instructions:

Bank: Chase Manhattan (NYC)  
ABA #: 021-000-021  
Account #: 140 094 221  
Account Name: Lehman Brothers  
FFC: Stonehill Offshore Partners Limited #: 732-40125  
Attention: Dmitry Kovalev  
Reference: BOSTON GENERATING EBG Mezz (12/06)

Reference Number:

Seller and Buyer hereby agree that payment will be made as calculated above on the Settlement Date.

STONEHILL OFFSHORE PARTNERS LIMITED

By: Stonehill Advisers LLC

KELTS LLC

By: The Royal Bank of Scotland plc, as sole member

By: Greenwich Capital

Markets, Inc., its agent

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

## ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between Stonehill Offshore Partners Limited (the "Assignor") and Kelts LLC (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: Stonehill Offshore Partners Limited
2. Assignee: Kelts LLC
3. Borrower(s): EBG Holdings LLC
4. Administrative Agent: Credit Suisse, Cayman Islands Branch, as the administrative agent under the Credit Agreement
5. Credit Agreement: The Credit Agreement dated as of December 21, 2006 among the Borrower, the Guarantors, the Lenders and certain other lender parties party thereto, the Administrative Agent, CREDIT SUISSE SECURITIES (USA) LLC and GOLDMAN SACHS CREDIT PARTNERS L.P., as Co-Syndication Agents, CREDIT SUISSE SECURITIES (USA) LLC and GOLDMAN SACHS CREDIT PARTNERS L.P., as Co-Documentation Agents, and CREDIT SUISSE SECURITIES (USA) LLC and GOLDMAN SACHS CREDIT PARTNERS L.P., as Joint Lead Arrangers and Joint Book Running Managers.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans
Loan	USD 359,219,921.50	USD 2,000,000.00	0.556761995%

Effective Date: August 26, 2008

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the other Loan Parties and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

page 4 of 7

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

STONEHILL OFFSHORE PARTNERS LIMITED, as  
Assignor

By: Stonehill Advisers LLC

By: 

Name: Steven Nelson

Title:

ASSIGNEE

KELTS LLC, as Assignee

By: The Royal Bank of Scotland plc, as sole member

By:

Greenwich Capital Markets, Inc., its agent

By: 

Name: Karen Brewer

Title:

page 5 of 7

Consented to and Accepted:

**CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as Administrative Agent**

By: Carolyn T. Stephens

Name: Carolyn Stephens

Title: Assistant Vice President

By: Shoshana Tyson

Name: Shoshana Tyson

Title: Credit Suisse Authorized Signer

Consented to:

**EBG HOLDINGS LLC**

By: N/A

Name:

Title:

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received and/or had the opportunity to review a copy of the Credit Agreement to the extent it has in its sole discretion deemed necessary, together with copies of the most recent financial statements delivered pursuant to Section 5.03 thereof, as applicable, and such other documents and information as it has in its sole discretion deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Person organized under the laws of a jurisdiction outside the United States, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.



SD Exhibit K(c)

page 1 of 3

**Steven Nelson**

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**From:** Dvorski, Vera [vera.dvorski@barclayscapital.com]  
**Sent:** Friday, October 10, 2008 11:14 AM  
**To:** Steven Nelson; Kovalev, Dmitriy; Marco, Paul  
**Subject:** RE: Boston Gen EBG Mezz

Hi,

I entered it this morning. Sorry about the delay.

Regards,

Vera Dvorski  
Barclays Capital | Capital Markets Prime Services  
Phone: (212)-526-2361  
Fax: (646) 834-4652  
Email: vera.dvorski@barclayscapital.com

-----Original Message-----

**From:** Steven Nelson [mailto:SNelson@stonehillcap.com]  
**Sent:** Friday, October 10, 2008 11:01 AM  
**To:** Dvorski, Vera; Kovalev, Dmitriy; Marco, Paul  
**Subject:** RE: Boston Gen EBG Mezz

We don't see this in our account.

Steve Nelson  
Stonehill Capital Management  
885 Third Avenue  
30th Floor  
New York, NY 10022  
T - 212.739.7470 (direct)  
T - 212.739-7474  
F - 212.838.2291  
snelson@stonehillcap.com

-----Original Message-----

**From:** Dvorski, Vera [mailto:vera.dvorski@barclayscapital.com]  
**Sent:** Wednesday, October 08, 2008 6:24 PM  
**To:** Steven Nelson; Kovalev, Dmitriy; Marco, Paul  
**Subject:** Re: Boston Gen EBG Mezz

Hi,

Yes, the money should be in your acct tomorrow.

Regards,  
Vera

----- Original Message -----

**From:** Steven Nelson <SNelson@stonehillcap.com>  
**To:** Steven Nelson <SNelson@stonehillcap.com>; Kovalev, Dmitriy; Marco, Paul; Dvorski, Vera  
**Sent:** Wed Oct 08 18:17:24 2008  
**Subject:** RE: Boston Gen EBG Mezz

Any luck with this?

Steve Nelson

885 Third Avenue

30th Floor

New York, NY 10022

T - 212.739.7470 (direct)

T - 212.739-7474

F - 212.838.2291

snelson@stonehillcap.com

---

From: Steven Nelson  
Sent: Wednesday, October 08, 2008 10:08 AM  
To: 'Kovalev, Dmitriy'; 'Marco, Paul'; 'Dvorski, Vera'  
Subject: FW: Boston Gen EBG Mezz

Please see the message below. Offshore should have rec'd \$1,788,283.65 on 8/27/08.  
Please check on this.

Thanks,

Steve Nelson

Stonehill Capital Management

885 Third Avenue

30th Floor

New York, NY 10022

T - 212.739.7470 (direct)

T - 212.739-7474

F - 212.838.2291

snelson@stonehillcap.com

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From: Marie.Cowell@rbsgc.com [mailto:Marie.Cowell@rbsgc.com]  
Sent: Wednesday, October 08, 2008 9:57 AM  
To: Steven Nelson; loanops@rbos.com  
Subject: RE: Boston Gen EBG Mezz

Steven,

page 3 of 3

funds were sent on 8/27/08. The Book Transfer # is 0661600240JS.  
Please let me know if you have any more questions.

1,788,283.65 BOOK TRANSFER DEBIT BOOK 0661600240JS SAME 17:04 08/27/2008 STRAIGHT

YOUR REF: ADHPHRF30082400W

PAID TO: 00000000140094221 LEHMAN BROS INC-INCOMING CUST FD INCOMING

CUSTOMER FUNDS CLS NEW YORK NY 10019

SWIFT ID: GRNWUS33

B/O CUSTOMER: GREENWICH CAPITAL MARKETS INC 600 STEAMBOAT RD GREENWICH CT

06830-7149

ACCT PARTY: /732907552 LBI

REC GFP: 08272102

Thanks.

Marie Cowell  
RBS Global Banking & Markets  
Office: +1 203 618 2684

-----Original Message-----

From: Steven Nelson [mailto:SNelson@stonehillcap.com]  
Sent: Wednesday, October 08, 2008 9:24 AM  
To: \*GCM Loan Operations  
Subject: Boston Gen EBG Mezz

Stonehill Offshore Partners Limited sold to you a qty of 2,000,000 of Boston Gen thru clearpar. It was trade #565561-001 and it closed on 8/26/08. The funding memo called for you to pay us \$1,788,283.65 but we have yet to receive the funds. Please check your records and get back to me.

Thanks,

Steve Nelson

Stonehill Capital Management

885 Third Avenue

30th Floor

**EXHIBIT C**

08-13555-mg Doc 45573-38 Filed 08/05/14 Entered 08/05/14 14:51:02 Exhibit A-38 - Offshore LBMH Pg 93 of 96														SI MV on SI MV on SI P&L total				
Internal ID	CUSIP	Description	Orig	Term	Rate	Unit	Cur	Off	On	File	Trans	Off P&L	SI Qty	File	Trans	SI P&L	total	
KGENY	49373X103	KGEN PWR CORP COM 144A	0.0000	15.0000	15.0000	1.0000	1.0000	USD	1.0000	2,718,868.00	40,783,020.00	27,188,680.00	(13,594,340.00)	1,866,236.00	27,993,540.00	18,662,360.00	(9,331,180.00)	(22,925,520.00)
5489304	92923CAG9	WCI COMMUNITIES INC GTD SENIOR SUB NOTE 9.125% 5/1/2012 92923CAG9	39.0000	35.0000	35.0000	0.0100	1.0000	USD	1.0000	5,125,750.00	5,125,750.00	219,675.00	(4,906,075.00)	14,309,000.00	5,008,150.00	214,635.00	(4,793,515.00)	(9,699,590.00)
BTDPF	0081180	BARRATT DEVELOPMENTS PLC	2.5983	1.8671	2.5983	1.0000	1.0000	USD	1.0000	2,179,878.00	5,663,992.27	1,810,960.19	(3,853,032.08)	2,569,067.00	6,675,224.77	2,134,283.69	(4,540,941.08)	(8,393,973.16)
ABVT	00374N107	ABOVENET INC	56.5000	58.0000	56.5000	1.0000	1.0000	USD	1.0000	392,902.00	22,198,963.00	18,073,492.00	(4,125,471.00)	372,301.00	21,035,006.50	17,125,846.00	(3,909,160.50)	(8,034,631.50)
5337735	92923CAP9	WCI CMNTYS INC SR SUB NT 6.625% 3/15/2015 92923CAP9	41.0000	35.0000	35.0000	0.0100	1.0000	USD	1.0000	13,105,000.00	4,586,750.00	196,575.00	(4,390,175.00)	10,345,000.00	3,620,750.00	155,175.00	(3,465,575.00)	(7,855,750.00)
ADVNB	007942204	ADVANTA CORP-CL B NON-VTG	8.5800	8.2300	8.5800	1.0000	1.0000	USD	1.0000	951,658.00	8,165,225.64	3,654,366.72	(4,510,858.92)	689,393.00	5,914,991.94	2,647,269.12	(3,267,722.82)	(7,778,581.74)
5214313	92923CAM6	WCI COMMUNITIES INC CONV SENIOR SUB NOTE 7.875% 10/1/2013 92923CAM6	38.5000	35.0000	35.0000	0.0100	1.0000	USD	1.0000	19,560,000.00	6,846,000.00	2,934,000.00	(3,912,000.00)	15,978,000.00	5,592,300.00	2,396,700.00	(3,195,600.00)	(7,107,600.00)
RHDGF	2967879	RETAIL HOLDINGS N V	8.0000	8.5000	8.0000	1.0000	1.0000	USD	1.0000	1,341,254.00	10,730,032.00	6,706,270.00	(4,023,762.00)	386,878.00	3,095,024.00	1,934,390.00	(1,160,634.00)	(5,184,396.00)
HOV	442487203	HOVNANIAN ENTERPRISES INC-CL A	7.5700	7.9900	7.5700	1.0000	1.0000	USD	1.0000	402,500.00	3,046,925.00	756,700.00	(2,290,225.00)	472,500.00	3,576,825.00	888,300.00	(2,688,525.00)	(4,978,750.00)
5BDKMR1	140661AD1	CAPMARK FINL GROUP INC SR NT FLT 10.3.74625% 5/10/2010 140661AD1	76.6720	65.0000	65.0000	0.0100	1.0000	USD	1.0000	7,625,000.00	4,956,250.00	2,821,250.00	(2,135,000.00)	8,255,500.00	5,365,750.00	3,054,350.00	(2,311,400.00)	(4,446,400.00)
5332712	N5639BAC2	SAIRGROUP FINANCE *IN DEFAULT* 6.625% 10/6/2010 N5639BAC2	0.0000	26.7085	26.7085	0.0100	1.0000	USD	1.0000	31,627,000.00	8,447,112.38	6,479,710.58	(1,967,401.80)	35,743,000.00	9,546,436.20	7,322,992.87	(2,223,443.33)	(4,190,845.13)
5BDGW6P	76114EAE2	RESIDENTIAL CAP LLC SR SECD NT 8.50% 05/15/2010 76114EAE2	69.5000	55.0000	55.0000	0.0100	1.0000	USD	1.0000	26,875,000.00	14,781,250.00	12,900,000.00	(1,881,250.00)	26,475,000.00	14,561,250.00	12,708,000.00	(1,853,250.00)	(3,734,500.00)
M017061	55291M202	MAC CAPITAL LLC COMBINATION SECS MEMBERSHIP	0.0000	0.3200	0.3200	1.0000	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	9,656,000.00	3,089,920.00	0.00	(3,089,920.00)	(3,089,920.00)
ZARLF	989139100	ZARLINK SEMICONDUCTOR INC	0.6100	45.5000	0.6100	1.0000	1.0000	USD	1.0000	5,489,218.00	3,348,422.98	1,209,274.69	(2,139,148.29)	2,164,484.00	1,320,335.24	476,835.81	(843,499.43)	(2,982,647.72)
5225200	92923CAK0	WCI COMMUNITIES INC CONV 4% 8/5/2023 92923CAK0	38.0000	35.0000	35.0000	0.0100	1.0000	USD	1.0000	6,769,150.00	2,369,150.00	1,006,888.75	(1,362,261.25)	6,410,000.00	2,243,500.00	953,487.50	(1,290,012.50)	(2,652,273.75)
5986867	XS0230294068	LUXFER HOLDINGS PLC 11.831% 02/06/2012 G5698WAD0	0.0000	142.1600	142.1600	0.0100	1.0000	USD	1.0000	2,179,193.00	3,097,940.77	1,881,776.74	(1,216,164.03)	2,308,621.00	3,281,935.61	1,898,881.35	(1,383,054.26)	(2,599,218.29)
ACTG	003881307	ACACIA RESEARCH - ACACIA TECHNOLOGIES	4.1300	3.0200	4.1300	1.0000	1.0000	USD	1.0000	521,695.00	2,154,600.35	1,064,257.80	(1,090,342.55)	612,425.00	2,529,315.25	1,249,347.00	(1,279,968.25)	(2,370,310.80)
CAL	210795308	CONTINENTAL AIRLINES INC-CL B	18.9500	15.8300	18.9500	1.0000	1.0000	USD	1.0000	301,044.00	5,704,783.80	4,633,067.16	(1,071,716.64)	343,356.00	6,506,596.20	5,284,248.84	(1,222,347.36)	(2,294,064.00)
5BBNND6	55265AAN1	MAC CAPITAL LTD SER 2007-1 CL B-2L 144A/3C7 7.0450% 7/26/2023 55265AAN1	0.0000	40.4600	40.4600	0.0100	1.0000	USD	1.0000	6,050,000.00	2,447,830.00	1,257,190.00	(1,190,640.00)	4,950,000.00	2,002,770.00	1,028,610.00	(974,160.00)	(2,164,800.00)
5196207	N5639BA6	SAIR GROUP FINANCE B V *IN DEFAULT* 4.375% 6/8/2006 N5639BA6	0.0000	26.7686	26.7686	0.0100	1.0000	USD	1.0000	23,417,000.00	6,268,397.51	5,222,198.79	(1,046,198.72)	19,357,000.00	5,181,593.31	4,100,776.01	(1,080,817.30)	(2,127,016.02)
5856846	904677AG6	UNIFI INC SR SC NT 11.5% RMD 05/15/2014 904677AG6	90.5000	82.5000	82.5000	0.0100	1.0000	USD	1.0000	12,528,000.00	10,335,600.00	9,020,160.00	(1,315,440.00)	7,472,000.00	6,164,400.00	5,379,840.00	(784,560.00)	(2,100,000.00)
5BBKLB4	XS0302940688	MAC CAPITAL LTD RMD .0000000001 07/24/2023 0% 7/24/2023 G5753NAB6	0.0000	0.3900	0.3900	1.0000	1.0000	USD	1.0000	6,500,000.00	2,535,000.00	756,600.00	(1,778,400.00)	0.00	0.00	0.00	0.00	(1,778,400.00)
LCC	90341W108	US AIRWAYS GROUP INC	7.8800	6.0300	7.8800	1.0000	1.0000	USD	1.0000	689,448.00	5,432,850.24	4,626,196.08	(806,654.16)	809,010.00	6,374,998.80	5,428,457.10	(946,541.70)	(1,753,195.86)
5BDHSQ5	85431AJM0	VICTORIA STANFIELD FIN LTD MEDIUM TERM NTS144A 3C7 0% 01/25/2008 85431AJM0	0.0000	42.0000	42.0000	0.0100	1.0000	USD	1.0000	4,600,000.00	1,932,000.00	575,000.00	(1,357,000.00)	5,400,000.00	2,268,000.00	1,890,000.00	(378,000.00)	(1,735,000.00)
ADVNA	007942105	ADVANTA CORP-CL A (FORMERLY COMMON)	7.2200	4.9300	7.2200	1.0000	1.0000	USD	1.0000	158,854.00	1,146,925.88	339,947.56	(806,978.32)	166,257.00	1,200,375.54	355,789.98	(844,585.56)	(1,651,563.88)
5128805	13134YAA5	CALPINE CONSTRUCTION FINANCE CO L P /CFCF FINANCE CORP 144A 11.6025% 08/26/2011 13134YAA5	107.5000	101.5000	101.5000	0.0100	1.0000	USD	1.0000	12,650,000.00	12,839,750.00	11,448,250.00	(1,391,500.00)	2,350,000.00	2,385,250.00	2,126,750.00	(258,500.00)	(1,650,000.00)
ADPAJ	00685R102	ADELPHIA RECOVERY TRUST SERIES ARAHOVA INT	0.4000	0.2500	0.4000	1.0000	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	5,301,739.00	2,120,695.60	636,208.68	(1,484,486.92)	(1,484,486.92)
5341743	112013AB3	BRODER BROS CO SR NOTE 11.25% 10/15/2010 112013AB3	67.5000	58.5000	58.5000	0.0100	1.0000	USD	1.0000	4,975,000.00	2,910,375.00	1,990,000.00	(920,375.00)	2,525,000.00	1,477,125.00	1,010,000.00	(467,125.00)	(1,387,500.00)
5262134	98141AAD3	WORLD ACCESS INC SENIOR NOTES- DEFAULT 13.25% 01/15/2008 98141AAD3	0.0000	3.2389	3.2389	0.0100	1.0000	USD	1.0000	67,826,000.00	2,196,799.10	2,034,780.00	(162,019.10)	58,995,000.00	1,910,774.09	727,667.55	(1,183,106.54)	(1,345,125.64)
POR	736508847	PORTLAND GENERAL ELECTRIC CO NEW	25.4700	23.6600	25.4700	1.0000	1.0000	USD	1.0000	1,147.00	29,214.09	22,641.78	(6,572.31)	233,431.00	5,945,487.57	4,607,927.94	(1,337,559.63)	(1,344,131.94)
5355724	XS0119591302	MULIALERAMIK FINANCE LTD SENIOR A VAR RATE 7.18750% 10/31/2007	0.0000	22.0000	22.0000	0.0100	1.0000	USD	1.0000	6,045,389.00	1,329,985.58	453,404.18	(876,581.40)	3,114,291.00	685,144.02	233,571.83	(451,572.19)	(1,328,153.59)
5325546	74972EAN8	RSL COMMUNICATIONS PLC GRD US\$ SR NT- *IN DEFAULT* 12.8750% 03/01/2010 74972EAN8	0.0000	4.2500	4.2500	0.0100	1.0000	USD	1.0000	18,635,000.00	791,987.50	234,987.35	(557,000.15)	24,550,000.00	1,043,375.00	309,575.50	(733,799.50)	(1,290,799.65)
5975781	852591AA4	STALLION OILFIELD SVCS LTD / CORP SR NT 144A 9.75% 02/01/2015 852591AA4	73.0000	65.0000	65.0000	0.0100	1.0000	USD	1.0000	2,475,000.00	1,608,750.00	940,500.00	(668,250.00)	2,025,000.00	1,316,250.00	769,500.00	(546,750.00)	(1,215,000.00)
5713396	666107AA5	NORTHERNSTAR NAT GAS INC SR NTS 144A 5% 05/15/2013 666107AA5	92.0000	30.0000	30.0000	0.0100	1.0000	USD	1.0000	11,694,343.00	3,508,302.90	2,923,585.75	(584,717.15)	11,694,343.00	3,508,302.90	2,923,585.75	(584,717.15)	(1,169,434.30)
FRCPF	359043106	FRONTERA COPPER CORPORATION	1.7774	1.1475	1.7774	1.0000	1.0000	USD	1.0000	880,395.00	1,564,815.83	532,110.74	(1,032,705.09)	93,305.00	165,840.49	56,393.54	(109,446.95)	(1,142,152.04)
5145204	74972EAC2	RSL COMMUNICATION PLC SR NTS- *IN DEFAULT* 9.1250% 03/01/2008 74972EAC2	0.0000	3.5000	3.5000	0.0100	1.0000	USD	1.0000	24,385,000.00	853,475.00	304,812.50	(548,662.50)	26,290,000.00	920,150.00	328,625.00	(591,525.00)	(1,140,187.50)
THBDL	88605P108	THUNDERBIRD RESORTS INC COM 144A	0.0000	5.0000	6.0000	1.0000	1.0000	USD	1.0000	244,444.00	1,466,664.00	855,554.00	(611,110.00)	200,000.00	1,200,000.00	700,000.00	(500,000.00)	(1,111,110.00)
RIG	H8817H100	TRANSOCEAN INC NEW	122.6900	109.8400	122.6900	1.0000	1.0000	USD	1.0000	9,200.00	1,128,748.00	633,696.00	(495,052.00)	10,800.00	1,325,052.00	743,904.00	(581,148.00)	(1,076,200.00)
5142263	XS0087917596	RSL COMMUNICATIONS GLOBAL USD- *IN DEFAULT* 10% 03/15/2008 G7703AAD7	0.0000	1.6000	1.6000	0.0100	1.0000	USD	1.0000	56,450,000.00	903,200.00	321,765.00	(581,435.00)	47,149,000.00	754,384.00	268,749.30	(485,634.70)	(1,067,069.70)
5BDNVY1	98951UAJ5	ZIFF DAVIS MEDIA INC SR SECD NT FLT'G RATE NEW 0% 05/01/2012 98951UAJ5	0.0000	83.0000	83.0000	0.0100	1.0000	USD	1.0000	2,294,000.00	1,904,020.00	1,376,400.00	(527,620.00)	2,150,000.00	1,784,500.00	1,290,000.00	(494,500.00)	(1,022,120.00)
5119025	126685DX1	CWHEQ HOME EQUITY LOAN TRUST MTGPC/SERIES 2006-S2 A-3-VAR 5.841% 07/25/2027 126685DX1	41.1849	41.0000	41.0000	0.0100	1.0000	USD	1.0000	9,200,000.00	3,772,000.00	3,312,000.00	(460,000.00)	10,800,000.00	4,428,000.00	3,888,000.00	(540,000.00)	(1,000,000.00)
ABVTZ	00374N123	WTS ABOVENET	31.0000	31.0000	31.0000	1.0000	1.0000	USD	1.0000	40,000.00	1,240,000.00	840,000.00	(400,000.00)	1,240,000.00	1,240,000.00	840,000.00	(400,000.00)	(800,000.00)
5943647	12668XAC9	COUNTRYWIDE ASSET-BACKED CTF5 SERIES 2006-S8 CLASS A3 5.555% 04/25/2036 12668XAC9	52.7379	52.5346	52.5346	0.0100	1.0000	USD	1.0000	6,647,920.00	3,492,456.83	3,124,522.40	(367,934.43)	7,804,080.00	4,099,840.62	3,667,917.60	(431,923.02)	(799,857.45)





5147251	12542AAB3	CHS ELECTRONICS INC SENIOR NOTES 9.875% 04/15/2005 12542AAB3	0.0000	0.5000	0.5000	0.0100	1.0000	USD	1.0000	27,500,000.00	137,500.00	137,500.00	0.00	0.00
5BBDTK4	12560PEA5	CIT GROUP INC MEDIUM TERM SR NTS 2.9050% 10/27/2008 12560PEA5	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	4,500,000.00	4,419,180.00	4,419,180.00	0.00	0.00
5307531	196267AD0	COLOR TILE INC SR NT IN DEFAULT 10.75% 12/15/2001 196267AD0	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	3,262,000.00	0.00	0.00	0.00	0.00
5220319	21061PAD8	CONSUMER PACKAGING INC SR NOTE 9.75% 02/01/2007 21061PAD8	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	8,800,000.00	0.00	0.00	0.00	0.00
5272505	2107959D4	CONTINENTAL AIRLINES INC SR NOTES GTD-REG-ESCROW-DEFAULT 11.5% 03/15/1997 2107959D4	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	26,400,000.00	0.00	0.00	0.00	0.00
5430398	2338609B3	DAIRY MART CONVENIENCE STORES INC - ESCROW - 10.25% 03/15/2004 2338609B3	0.0000	0.0100	0.0100	0.0100	1.0000	USD	1.0000	742,000.00	74.20	74.20	0.00	0.00
D004752	243457108	DECISIONONE CORP NEW	0.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	36.00	0.00	0.00	0.00	0.00
5115626	247701AB1	DELTA MILLS INC SR NOTE SER B 9.62500 09/01/2008 247701AB1	0.0000	8.6000	8.6000	0.0100	1.0000	USD	1.0000	3,092,000.00	265,912.00	265,912.00	0.00	0.00
5123009	262497AG5	DRYPERS CORP SR NTS SER-B 10.25% 06/15/2007 262497AG5	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	5,004,000.00	0.00	0.00	0.00	0.00
5310628	2695249C0	EAGLE GEOPHYSICAL INC SR NT SER B -ESCROWED- 10.75% 07/15/2008 2695249C0	0.0000	0.0100	0.0100	0.0100	1.0000	USD	1.0000	15,218,000.00	1,521.80	1,521.80	0.00	0.00
5030910	2003368R9	ESC COMDISCO INC NOTE - ESCROW - 6.125% 01/15/2003 2003368R9	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	1,450,000.00	0.00	0.00	0.00	0.00
5037926	4983269C3	ESC KITTY HAWK INC SR SEC'D NTS 9.95% 11/15/2004 4983269C3	0.0000	0.5000	0.5000	0.0100	1.0000	USD	1.0000	11,530,000.00	57,650.00	57,650.00	0.00	0.00
5578456	2107959L6	ESCROW CONTINENTAL AIRLINES INC "IN DEFAULT" 10% 11/15/2001 2107959L6	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	8,600,000.00	0.00	0.00	0.00	0.00
5359457	40065L9B9	ESCROW GUANGDONG INTL TR & INV 144A 8.75% 11/23/2003 40065L9B9	0.0000	4.6500	4.6500	0.0100	1.0000	USD	1.0000	3,300,000.00	153,450.00	153,450.00	0.00	0.00
5358558	40065L9A1	ESCROW GUANGDONG INTL TR & INVT 144A-IN DEFAULT 6.75% 11/15/2020 40065L9A1	0.0000	4.6500	4.6500	0.0100	1.0000	USD	1.0000	2,925,000.00	136,012.50	136,012.50	0.00	0.00
5294718	297862AB0	ETOYS IND CONV SUB NOTE-IN DEFAULT 6.25% 12/01/2004 297862AB0	0.0000	1.4500	1.4500	0.0100	1.0000	USD	1.0000	5,985,000.00	86,782.50	86,782.50	0.00	0.00
5261713	302088AH2	EXODUS COMMUNICATIONS INC SR NT - IN DEFAULT 10.75% 12/15/2009 302088AH2	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	34,039,000.00	0.00	0.00	0.00	0.00
5158280	302088AB5	EXODUS COMMUNICATIONS INC SR NTS - IN DEFAULT 11.25% 07/01/2008 302088AB5	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	50,420,000.00	0.00	0.00	0.00	0.00
5355200	302088AL3	EXODUS COMMUNICATIONS INC USS SR NT 11.625% 07/15/2010 302088AL3	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	164,013,000.00	0.00	0.00	0.00	0.00
F006921	301990719	FCLT LOANS ASSET (FIRST CITY LIQ. TRUST)	0.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
FCFCL	33762E108	FIRSTCITY LIQUIDATING TRUST CL B CBI	0.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
3BBWTX8	36099ACJ0	FULTON CNTY GA DEV AUTH SPL FACS REV DELTA AIRLINES INC 5.30% 05/01/2013 36099ACJ0	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	120,000.00	0.00	0.00	0.00	0.00
5233639	37937WAD1	GLOBAL RATED ELIGIBLE ASSET TR 1998-A ASST BACKED NT -DEFAULT 0% 01/15/20037937WAD1	0.0000	0.0010	0.0010	0.0100	1.0000	USD	1.0000	79,740,000.00	797.40	797.40	0.00	0.00
5C64242	37937WAA7	GLOBAL RATED ELIGIBLE ASSET TR CL A2 7.33% 03/15/2006 37937WAA7	0.0000	0.0010	0.0010	0.0100	1.0000	USD	1.0000	31,643,000.00	316.43	316.43	0.00	0.00
5C64936	37937WAB5	GLOBAL RATED ELIGIBLE ASSET TR SERIES 1998-A CL-A-DEFAULT 7.06% 09/15/2007 37937WAB5	0.0000	0.0010	0.0010	0.0100	1.0000	USD	1.0000	12,362,000.00	123.62	123.62	0.00	0.00
5139489	38012TAB8	GMACM HOME EQUITY LN TR SERIES 2006-HE3 CLASS A2 5.75% 10/25/2036 38012TAB8	76.9930	58.0000	58.0000	0.0100	1.0000	USD	1.0000	6,836,750.00	3,965,315.00	3,965,315.00	0.00	0.00
5BBQVB1	36186LAC7	GMACM HOME EQUITY LN TR SERIES 2007-HE2 CLASS A3 6.193% 12/25/2037 36186LAC7	48.0810	48.0000	48.0000	0.0100	1.0000	USD	1.0000	15,410,000.00	7,396,800.00	7,396,800.00	0.00	0.00
5BBQTZ9	36186LAD5	GMACM HOME EQUITY LN TR SERIES 2007-HE2 CLASS A4 6.424% 12/25/2037 36186LAD5	31.7589	44.0000	44.0000	0.0100	1.0000	USD	1.0000	18,170,000.00	7,994,800.00	7,994,800.00	0.00	0.00
5141557	38012TAD4	GMACM HOME EQUITY LOAN TRUST MTGPC/SERIES 2006-HE3 A-4-VAR 6.088% 10/25/2036 38012TAD4	81.7825	44.0000	44.0000	0.0100	1.0000	USD	1.0000	1,725,000.00	759,000.00	759,000.00	0.00	0.00
5BBKVN8	36186KAD7	GMACM HOME EQUITY LOAN TRUST MTGPC/SERIES 2007-HE1 A-4-VAR 5.952% 08/25/2037 36186KAD7	38.1446	44.0000	44.0000	0.0100	1.0000	USD	1.0000	3,450,000.00	1,518,000.00	1,518,000.00	0.00	0.00
5282351	361881AA3	GMD BONDHOLDER TRUST OFFSHORE TR CTF 144A 0% 12/31/2026 361881AA3	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	100.00	0.00	0.00	0.00	0.00
5281808	G3944MAA5	GMD BONDHOLDER TRUST OFFSHORE TR CTF REG S 0% 12/31/2026 G3944MAA5	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	4,218.00	0.00	0.00	0.00	0.00
5957171		GREAT 98-A SERIES A-2 FRN	0.0000	0.0010	0.0010	0.0100	1.0000	USD	1.0000	4,733,000.00	47.33	47.33	0.00	0.00
5246447	36228YAC9	GST NETWORK FUNDING INC SR SEC'D DISC NTE DEFAULT 10.50% 05/01/2008 36228YAC9	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	4,000,000.00	0.40	0.40	0.00	0.00
5329921	362359AC5	GT GROUP TELECOM INC SENIOR DISC EXCH NTS-DEFAULTED 13.25% 02/01/2010 362359AC5	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	17,000,000.00	0.00	0.00	0.00	0.00
5252671	422660AD2	HECHINGER CO *IN DEFAULT* 6.95% 10/15/2003 422660AD2	0.0000	1.5000	1.5000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
5205553	422660AC4	HECHINGER CO SR DEBS 9.45% 11/15/2012 422660AC4	0.0000	1.5000	1.5000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
5223763	457659AM2	INSILCO CORP SR SUB NOTE SER-B *IN DEFAULT* 12% 08/15/2007 457659AM2	0.0000	0.0625	0.0625	0.0100	1.0000	USD	1.0000	23,300,000.00	14,562.50	14,562.50	0.00	0.00
5143514	457661AA4	INSILCO HOLDINGG CO SR DISC NT 14% 08/15/2008 457661AA4	0.0000	0.0625	0.0625	0.0100	1.0000	USD	1.0000	8,250,000.00	5,156.25	5,156.25	0.00	0.00
5051503	462213AK5	IONICA PLC -SNR DISC NTS 15% 12/31/2049 462213AK5	0.0000	0.0010	0.0010	0.0100	1.0000	USD	1.0000	3,000,000.00	30.00	30.00	0.00	0.00
5033225	462213AJ8	IONICA PLC SR NOTE 13.50% 08/15/2006 462213AJ8	0.0000	0.0010	0.0010	0.0100	1.0000	USD	1.0000	3,000,000.00	30.00	30.00	0.00	0.00
5249169	465266AC8	IT GROUP INC SENIOR SUB NOTE SER B 11.25% 04/01/2009 465266AC8	0.0000	0.0100	0.0100	0.0100	1.0000	USD	1.0000	49,600,000.00	4,960.00	4,960.00	0.00	0.00
5574462	477122AV7	JET EQUIPMENT TR MEZZANINE NOTE CL B 95-B 7.83% 08/15/2012 477122AV7	0.0100	0.0100	0.0100	0.0100	1.0000	USD	1.0000	3,640,000.00	364.00	364.00	0.00	0.00
5142368	488035AE6	KELLSTROM INDS INC CONV SUB NOTES-*DEFAULTED* 5.50% 06/15/2003 488035AE6	0.0000	1.2500	1.2500	0.0100	1.0000	USD	1.0000	24,440,000.00	305,500.00	305,500.00	0.00	0.00
5125334	488035AC0	KELLSTROM INDS INC SUB NTS CONV 5.75% 10/15/2002 488035AC0	0.0000	1.2500	1.2500	0.0100	1.0000	USD	1.0000	14,153,000.00	176,912.50	176,912.50	0.00	0.00
LEHJQ	B2PJYC5	LEHMAN BROS HLDGS INC DEP SH REPSTG 1/100TH 7.95%	8.2500	0.0100	0.0100	1.0000	1.0000	USD	1.0000	44,482.00	444.82	444.82	0.00	0.00
5109706	537902AC2	LIVENT INC SR NTS - IN DEFAULT 9.375% 10/15/2004 537902AC2	0.0000	0.2500	0.2500	0.0100	1.0000	USD	1.0000	20,005,000.00	50,012.50	50,012.50	0.00	0.00
5278012	54986QAA5	LUKENS INC MEDIUM TERM NOTES 6.50% 02/01/2006 54986QAA5	0.0000	0.0625	0.0625	0.0100	1.0000	USD	1.0000	2,250,000.00	1,406.25	1,406.25	0.00	0.00
3502020	586169AN4	MEMPHIS TN HLTH EDL&HSG FAC BRD MFHR SECUR.-A-IN DEFAULT 8.68% 12/15/2049 586169AN4	0.0100	0.0000	0.0000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
3681870	607168AY7	MOBILE ALA INDL DEV BRD SOLID WSTE DISP RV REF-MOBILE ENERGY 6.95% 01/01/2020 607168AY7	0.0100	25.0000	25.0000	0.0100	1.0000	USD	1.0000	195,294.00	48,823.50	48,823.50	0.00	0.00
3BBZCT2	64999BJL9	NEW YORK N Y CITY INDL DEV AGY SPL FAC REV NORTHWEST AIRLINES 6% 06/01/2027 64999BJL9	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	500,000.00	0.00	0.00	0.00	0.00
5C98570	62936EAF5	NPV VI INC 1998-2 HEALTH CARE RCVBLES NT 6.10% 5/1/2004 62936EAF5	0.0000	0.1250	0.1250	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
5368394	629377AL6	NRG ENERGY INC BONDS-DEFAULT 8.6250% 04/01/2031 629377AL6	0.0000	0.2300	0.2300	0.0100	1.0000	USD	1.0000	63,600,000.00	146,280.00	146,280.00	0.00	0.00
5310622	629377AG7	NRG ENERGY INC DEFAULT 8.25% 09/15/2010 629377AG7	0.0000	0.2300	0.2300	0.0100	1.0000	USD	1.0000	23,850,000.00	54,855.00	54,855.00	0.00	0.00
5368395	629377AK8	NRG ENERGY INC NOTES-DEFAULT 7.75% 04/01/2011 629377AK8	0.0000	0.2300	0.2300	0.0100	1.0000	USD	1.0000	23,850,000.00	54,855.00	54,855.00	0.00	0.00
5219666	629377AE2	NRG ENERGY INC SR NOTE 7.50% 06/01/2009 629377AE2	0.0000	0.2300	0.2300	0.0100	1.0000	USD	1.0000	34,450,000.00	79,235.00	79,235.00	0.00	0.00
5075991	629377AD4	NRG ENERGY INC SR NOTE 7.50% 06/15/2007 629377AD4	0.0000	0.2300	0.2300	0.0100	1.0000	USD	1.0000	34,450,000.00	79,235.00	79,235.00	0.00	0.00
5BDDFC1	629ESC9Q9	NWA A SEN - ESCROW CUSIP - 2.30% 12/31/2049 629ESC9Q9	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
5BDDFC4	629ESC9W6	NWA A SEN - ESCROW CUSIP - 2.39% 12/31/2049 629ESC9W6	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
5BDDFC3	629ESC9U0	NWA A SEN - ESCROW CUSIP - 2.52% 11/01/2004 629ESC9U0	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
5BDDFC2	629ESC9S5	NWA A SEN - ESCROW CUSIP - 5.52% 10/01/2007 629ESC9S5	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0.00
5BDDDY9	629ESC9B2	NWA A SEN - ESCROW CUSIP - 6.36% 03/01/2005 629ESC9B2	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	0

5245527	81375BAK8	SECURITIZED MULTIPLE ASSET RATED TR 1997-5ASSET BACKED 2005-5% 09/12/2005 81375BAK8	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	18,500,000.00	185.00	186.00	0.00	0.00	0.00	0.00	0.00
5C60831	81375BAN2	SECURITIZED MULTIPLE ASSET RATED TR ASSET BKD NT 7.056% 06/15/2005 81375BAN2	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	14,000,000.00	140.00	140.00	0.00	0.00	0.00	0.00	0.00
5E12094	81375BAM4	SECURITIZED MULTIPLE ASSET SERIES 1997-6 CL A-1 7.71% 11/15/2006 81375BAM4	0.0000	0.0010	0.0010	0.0100	1.0000	USD	1.0000	30,068,000.00	300.68	300.68	0.00	0.00	0.00	0.00	0.00
5237126	784123AF8	SFC NEW HLDGS INC SR SUB NT 13.25% 08/15/2003 784123AF8	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	7,000,000.00	0.00	0.00	0.00	17,530,050.00	0.00	0.00	0.00
5563864	836153AC0	SOURCE MEDIA INC SR SECD NTS 12.00000 11/01/2049 836153AC0	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	4,876,944.00	0.00	0.00	0.00	5,000,000.00	0.00	0.00	0.00
SSMR	867833600	SUNSHINE MNG & REFGN COMPANY PAR %0.01	0.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	11,483,635.00	0.00	0.00	0.00	5,999,544.00	0.00	0.00	0.00
5070867	292689AC0	TXU - ENERGY GROUP OVERSEAS BV GTD NOTES 7.375% 10/9/98 7.425% 10/15/2017 292689AC0	32.7500	20.0000	20.0000	0.0100	1.0000	USD	1.0000	18,880,000.00	3,776,000.00	3,776,000.00	0.00	18,255,000.00	3,651,000.00	3,651,000.00	0.00
5071495	292689AD8	TXU - ENERGY GROUP OVERSEAS BV GTD NT 7.55% 10/15/2027 292689AD8	32.7500	20.0000	20.0000	0.0100	1.0000	USD	1.0000	30,633,000.00	6,126,600.00	6,126,600.00	0.00	21,450,000.00	4,290,000.00	4,290,000.00	0.00
5264525	873169AJ5	TXU EASTERN FUNDING CO GTD SR NOTE 6.75% 05/15/2009 873169AJ5	0.0000	4.0000	4.0000	0.0100	1.0000	USD	1.0000	8,650,000.00	346,000.00	346,000.00	0.00	10,167,000.00	406,680.00	406,680.00	0.00
5264215	873169AF3	TXU EASTERN FUNDING GTD SR NT- IN DEFAULT 6.45000 05/15/2005 873169AF3	0.0000	4.0000	4.0000	0.0100	1.0000	USD	1.0000	4,037,000.00	161,480.00	161,480.00	0.00	815,000.00	32,600.00	32,600.00	0.00
5261756	92326YAF6	VENTURE HOLDINGS TRUST *IN DEFAULT* 11.00000 12/31/2049 92326YAF6	0.0000	0.1250	0.1250	0.0100	1.0000	USD	1.0000	11,475,000.00	14,343.75	14,343.75	0.00	10,575,000.00	13,218.75	13,218.75	0.00
5102085	92326YAD1	VENTURE HOLDINGS TRUST SR NOTE SER B 9.50% 07/01/2005 92326YAD1	0.0000	0.1250	0.1250	0.0100	1.0000	USD	1.0000	7,125,000.00	8,906.25	8,906.25	0.00	7,125,000.00	8,906.25	8,906.25	0.00
VIAHF	G93447111	VIATEL HOLDING BERMUDA LIMITED NEW	1.0000	1.0000	1.0000	1.0000	1.0000	USD	1.0000	187.00	187.00	187.00	0.00	164.00	164.00	164.00	0.00
5726350	93934WAA3	WASHINGTON MUT PFD FDG TR I PERPETUAL 144A *IN DEFAULT* 6.534% 12/29/2049 93934WAA3	10.1880	0.0000	0.0000	0.0100	1.0000	USD	1.0000	5,980,000.00	0.00	0.00	0.00	7,020,000.00	0.00	0.00	0.00
WAMPO	939322814	WASHINGTON MUTAL INC 7.75% SERIES R NON CUM PERPETUAL CONV PREFERRED STOCK	285.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	5,520.00	0.00	0.00	0.00	6,480.00	0.00	0.00	0.00
5002385	960080AB5	WESTFED HOLDINGS INC MNT SER DEB SPLT CPN 15.50% 09/15/2049 960080AB5	0.0000	0.0000	0.0000	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	0.00
5042652	978093AE2	WOLVERINE TUBE INC SENIOR NOTE SER B 10.50% 04/01/2009 978093AE2	92.0000	85.0000	85.0000	0.0100	1.0000	USD	1.0000	966,000.00	821,100.00	821,100.00	0.00	241,000.00	204,850.00	204,850.00	0.00
C010314	125127159	WTS CD RADIO INC EXP 5/15/2009 ACCREDITED INVS	0.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	18,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ICGCW	449246115	WTS ICG COMMUNICATIONS INC	0.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	11,911.00	0.00	0.00	0.00	7,054.00	0.00	0.00	0.00
W003885	94769A119	WTS WEBLINK WIRELESS EXP PENDING 2012	0.0000	0.0000	0.0000	1.0000	1.0000	USD	1.0000	201,455.00	0.00	0.00	0.00	134,303.00	0.00	0.00	0.00
5322253	55376WAD1	MTS INC SR SUB NOTE 9.375% 03/19/2009 55376WAD1	0.0000	4.5000	4.5000	0.0100	1.0000	USD	1.0000	4,036,450.00	181,640.25	181,640.26	0.01	2,610,135.00	117,456.08	117,456.08	0.00
5955774	CH0001188025	SASEA HOLDINGS 3.25% 10/01/2042	0.0000	1.1800	1.1800	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	17,100.00	201.78	208.79	7.01
5C58202	393505YC0	GREENTREE FINANCIAL CORPORATION MTGPC/SERIES 7.75% 03/15/2028 393505YC0	0.0000	0.0056	0.0056	0.0100	1.0000	USD	1.0000	795,000.00	44.63	79.50	34.87	680,000.00	38.18	68.00	29.82
5273066	195204AA0	COLO.COM SR NOTE 144A - IN DEFAULT 13.875% 03/15/2010 195204AA0	0.0000	0.0082	0.0082	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	4,293,000.00	354.07	429.30	75.23
5C48250	393505UY6	GREEN TREE FINL CORP SER 1997-4 MFD HSG SR/SUB 7.73% 02/15/2029 393505UY6	0.0000	0.0056	0.0056	0.0100	1.0000	USD	1.0000	4,644,999.00	261.43	464.50	203.07	3,956,000.00	222.66	395.60	172.94
5258646	CH0001129714	MAXWELL COMMUNICATIONS VAR RATE LIQUID 5% 12/31/2050	0.0000	1.0500	1.0500	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	1,897,324.00	19,921.90	20,614.54	692.64
5127481	XS0045549812	MAXWELL COMMUN 8.375% 09/01/2030	0.0000	0.4500	0.4500	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	7,943,000.00	35,743.50	37,285.67	1,542.17
5054115	DE0004115027	MAXWELL COMMUNICATIONS EURO DEBS 0% 06/15/2049 G59024AF9	0.0000	0.3100	0.3100	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	16,459,000.00	51,022.90	52,852.07	1,829.17
5463379	CH0001207908	SAIRGROUP *IN DEFAULT* 5.125% 03/01/2003 H83970AX33	10.1559	10.2564	10.2564	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	115,000.00	11,794.87	14,336.46	2,541.59
5445610	U29302AJ2	ENRON CORP EURO DEB 0.97% 12/31/2049 U29302AJ2	0.0000	0.0140	0.0140	0.0100	1.0000	USD	1.0000	213,000,000.00	29,820.00	32,134.41	2,314.41	87,000,000.00	12,180.00	13,125.32	945.32
5573732	717113AA2	PHAR-MOR INC SR NOTE-DEFAULTED 11.72% 09/11/2002 717113AA2	0.0000	0.7446	0.7446	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	1,884,000.00	14,028.53	18,840.00	4,811.47
5442794	29357YAD5	ENRON CREDIT LINKED NOTES TR STERLINGS CREDIT LINKED NOTE 7.25% 05/24/2006 29357YAD5	0.0000	1.0000	1.0000	0.0100	1.0000	USD	1.0000	1,000,000.00	10,000.00	19,998.54	9,998.54	0.00	0.00	0.00	9,998.54
5446359	U29302AG8	ENRON CORP DEFAULT 0.678% 12/31/2049 U29302AG8	0.0000	0.0140	0.0140	0.0100	1.0000	USD	1.0000	460,000,000.00	64,400.00	69,398.26	4,998.26	540,000,000.00	75,600.00	81,467.53	5,867.53
5478585	CH0007054882	POLLY PECK 5.625% 09/20/2049	0.0000	0.5000	0.5000	0.0100	1.0000	USD	1.0000	15,535,000.00	77,675.00	84,680.52	7,005.52	27,855,000.00	139,275.00	144,131.86	4,856.86
5131393	CH0007055665	POLLY PECK INTL FINANCE CHF 6.25% 03/29/2049	0.1766	0.5000	0.5000	0.0100	1.0000	USD	1.0000	18,090,000.00	90,450.00	98,607.70	8,157.70	18,950,000.00	94,750.00	99,989.10	5,239.10
5271493	CH0000939394	SWISSAIR DEFAULTED 5.50% 07/23/2004	0.0000	10.2600	10.2600	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	750,000.00	76,950.00	93,498.66	16,548.66
5449494	H83970AJ4	SAIRGROUP 2.775% 09/10/2049 H83970AJ4	10.1559	10.2564	10.2564	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	1,750,000.00	179,487.18	210,108.44	30,621.26
5BBQTY6	36186LAG8	GMACM HOME EQUITY LN TR SERIES 2007-HE2 CLASS A6 6.249% 12/25/2037 36186LAG8	46.2138	44.0000	44.0000	0.0100	1.0000	USD	1.0000	3,450,000.00	1,518,000.00	1,535,250.00	17,250.00	4,050,000.00	1,782,000.00	1,802,250.00	20,250.00
5461232	CH0001207569	SAIRGROUP ZUERICH VARIABLE RATE 4.125% 02/15/2013 H83970AU9	10.9948	10.5600	10.5600	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	2,035,000.00	214,896.00	253,693.03	38,797.03
5262964	78442FDQ8	SLM CORP MEDIUM TERM NTS 3.06% 07/27/2009 78442FDQ8	94.5000	88.0000	88.0000	0.0100	1.0000	USD	1.0000	1,840,000.00	1,619,200.00	1,638,704.00	19,504.00	2,160,000.00	1,900,800.00	1,923,696.00	22,896.00
NWA	667280408	NORTHWEST AIRLS CORP	9.8500	9.8000	9.8500	1.0000	1.0000	USD	1.0000	416,436.00	4,101,894.60	4,122,716.40	20,821.80	445,643.00	4,389,583.55	4,411,865.70	22,282.15
5381485	125581AV0	CIT GROUP INC NEW SR NT 3.04938% 01/30/2009 125581AV0	97.7330	90.0940	90.0940	0.0100	1.0000	USD	1.0000	1,650,000.00	1,486,551.00	1,511,730.00	25,179.00	1,350,000.00	1,216,269.00	1,236,870.00	20,601.00
5574272	13135BAE6	CALPINE GENERATING CO 9.07% 04/01/2009 13135BAE6	0.0000	0.2500	0.2500	0.0100	1.0000	USD	1.0000	14,800,000.00	37,000.00	74,000.00	37,000.00	5,200,000.00	13,000.00	26,000.00	13,000.00
5BBQZT6	36186LAB9	GMACM HOME EQUITY LN TR SERIES 2007-HE2 CLASS A2 6.054% 12/25/2037 36186LAB9	48.9240	49.0000	49.0000	0.0100	1.0000	USD	1.0000	3,523,920.00	1,726,720.80	1,761,960.00	35,239.20	4,429,080.00	2,170,249.20	2,214,540.00	44,290.80
5741989	247361VR6	DELTA AIR PTC 1990-G3 10.79% 09/26/2013 247361VR6	84.5000	25.5343	25.5343	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00	10,772,000.00	2,750,554.80	2,830,364.54	79,809.74
5252629	XS0103759089	S-AIR GROUP FIN 7.50% 11/15/2007	0.0000	3.3150	3.3150	0.0100	1.0000	USD	1.0000	2,270,000.00	75,250.50	124,850.00	49,599.50	1,730,000.00	57,349.50	95,150.00	37,800.50
5666251	125568AB1	CIT GROUP FUNDING CO CDA SR NT 4.65% 07/01/2010 125568AB1	85.7500	65.0000	65.0000	0.0100	1.0000	USD	1.0000	550,000.00	357,500.00	486,640.00	129,140.00	450,000.00	292,500.00	398,160.00	105,660.00
5169833	963150AA5	WHEELING PITTSBURGH STL CORP SR SECD NT 6% 08/01/2010 963150AA5	55.0000	97.0000	97.0000	0.0100	1.0000	USD	1.0000	6,705,304.00	6,504,144.88	6,705,304.00	201,159.12	2,274,859.00	2,206,613.23	2,274,859.00	68,245.77
5634664	125577AV8	CIT GROUP INC R/MD 5.09125 12/19/2008 2.72875% 12/19/2008 125577AV8	98.6360	93.0000	93.0000	0.0100	1.0000	USD	1.0000	3,300,000.00	3,069,000.00	3,219,810.00	150,810.00	2,700,000.00	2,511,000.00	2,634,390.00	123,390.00
5435819	CH0003532998	SWISSAIR CORP ***IN DEFAULT 6.25% 04/12/2005	0.0000	10.2600	10.2600	0.0100	1.0000	USD	1.0000	10,000,000.00	1,026,000.00	1,313,311.99	287,311.99	0.00	0.00	0.00	287,311.99
5555517	247361VV7	DELTA AIR LINES INC DEL EQUIP TR CTF SER 1990 C 10.79% 03/26/2014 247361VV7	81.5000	34.1771	34.1771	0.0100	1.0000	USD	1.0000	0.00	0.00	0.00	0.00				